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America to offer participating Workmen's Com-
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being protected, assisted, "kept on the job"—
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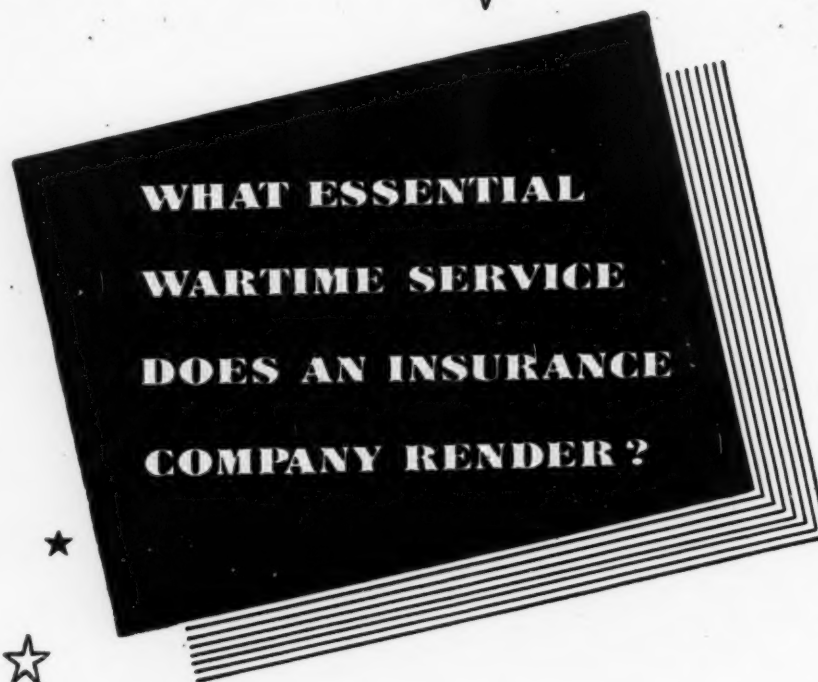
ASSOCIATED INDEMNITY CORPORATION • ASSOCIATED FIRE & MARINE INSURANCE COMPANY

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THURSDAY, FEBRUARY 11, 1943



Insurance Company of North America and other members of the North America Group have, during the past year, been able to make definite and direct contributions to the success of the nation's war effort.

With surety bonds, medical, hospital, claims and engineering service, and fire insurance for plants and inventories the "North America" has helped stimulate and protect the



production of large quantities of vital war materials.

In addition it has protected ships against war risk, reimbursing owners to the extent of millions of dollars . . . acted as fiduciary agent for the War Damage Corporation, in the writing of bombardment insurance . . . acted as underwriting agent of the War Shipping Administration for war risk insurance on cargo.

Thus we serve.

Insurance Company of North America

PHILADELPHIA

and its affiliated companies write practically every form of insurance except life

BUY WAR BONDS AND PROTECT WHAT YOU HAVE

THE NATIONAL UNDERWRITER. Published Weekly (with one additional issue in April) by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill., U. S. A. Forty-seventh year. No. 6. Thursday, February 11, 1943. \$4.50 a year (Canada \$5.50), 20 cents per copy. Entered as second-class matter April 25, 1931, at the post office at Chicago, Ill., under Act of March 3, 1879.



THE AMICO BEST SELLER LEADS AGENTS TO NEW SUCCESS

There is an ever-growing demand for the AMICO \$10 Non-Occupational Personal Accident Policy. It is but one of the many broad forms of coverage leading AMICO agents to bigger sales, and a large income. New success stories are being reported from all over the country.

Since this new policy was first brought out last spring, in a town of *less than 1000 inhabitants* in New York, one agent netted a commission income of \$1750. In another town of *less than 800 inhabitants* an agent earned over \$1400 with this policy.

One agent in North Carolina selling this policy over the phone earned \$108.50 in commissions, in just one hour and 47 minutes—more than \$1.00 a minute.

There are many more such stories coming in all the time.

1943 IS A YEAR OF RENEWED SUCCESS FOR AMICO AGENTS BECAUSE . . .

AMICO is a MULTIPLE-LINE participating stock company, that

always has paid its policyholders substantial dividends at the end of their policy terms.

AMICO's Sales Helps and Safety Engineering and Claim Service get results and help you get and hold the business.

AMICO's Plans of Action set a course of work to do, and how to regulate and route your calls to save time and tires. They reach the buying public, and indicate the ways to make insurance fit into a streamlined war budget.

COME AND GET IT!

Here are the AMICO tools for YOU to get a larger volume of business and bigger profits. An ever increasing number of prospects want the broad forms of protection that AMICO has provided at a saving. Find out about the American Motorists franchise in your community. Just write on your letterhead today.

AUTOMOBILE **BURGLARY**
PUBLIC LIABILITY
PLATE GLASS **FIDELITY BONDS**



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WORKMEN'S COMPENSATION

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ON GUARD

...to continue prime service and security to producers and policyholders.

IN THESE DAYS OF TOTAL WAR effort when civilian activities must be restricted in many directions, the Globe stands constant guard

to assure the maintenance in all departments of essential services that will be a source of comfort and satisfaction to producers and policyholders faced with new and difficult problems.

As evidence of the security behind our policies, we present our latest financial statement. We thank our loyal staff and our friends by whose joint efforts another successful year has been completed. We face the new year confident that the same teamwork will solve our problems at home and support those who fight the nation's battles around the world.

Financial Statement - December 31, 1942

ASSETS			
Cash in Banks	\$ 2,465,702.67		
United States Government Bonds	29,494,961.07		
Other Bonds and Stocks	9,378,373.46		
Real Estate	480,000.00		
Premiums in Course of Collection not more than 3 months due	3,064,663.57		
Interest and Rents Due and Accrued	187,288.30		
Other Admitted Assets	772,210.32		
TOTAL ADMITTED ASSETS			\$45,843,199.39
LIABILITIES			
Reserve for Claims and Claim Expenses	\$15,384,864.36		
Reserve for Unearned Premiums	7,752,034.31		
Reserve for Commissions on Uncollected Premiums	555,953.29		
Reserve for Taxes	2,100,000.00		
Reserve for Sundry Accounts	320,000.00	26,112,851.96	
Voluntary Reserve for Contingencies including fluctuation in Market Value of Securities			9,730,347.43
CAPITAL	2,500,000.00		
SURPLUS	7,500,000.00	10,000,000.00	
			\$45,843,199.39
SURPLUS TO POLICYHOLDERS \$10,000,000.00			

Securities carried at \$790,619.06 in the above statement are deposited as required by law. Bonds and Stocks valued on New York Insurance Department's basis. On the basis of December 31, 1942 market quotations for all bonds and stocks owned, the total admitted assets would be increased to \$47,182,677.86 and the voluntary reserve for contingencies, including fluctuation in market value of securities to \$11,069,825.90.

BUY BONDS REGULARLY



GLOBE INDEMNITY COMPANY

KENNETH SPENCER, PRESIDENT

150 WILLIAM STREET • NEW YORK, N. Y.

A STOCK COMPANY ORGANIZED UNDER THE LAWS OF THE STATE OF NEW YORK

The NATIONAL UNDERWRITER

Forty-seventh Year—No. 6

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, FEBRUARY 11, 1943

\$4.50 Year, 20 Cents a Copy

Rumors on Agent Draft Status Stir Some Uneasiness

Harry Hopkins' Reference to Insurance Men Recalled with New Interest

NEW YORK—Life insurance men here were keenly interested in the effect of the federal edict to the effect that men under 38 in certain occupations would no longer be deferred in the draft even though they had children. Rumors that the next step would be to include all salesmen in the list of proscribed occupations stirred considerable uneasiness. Harry Hopkins' statement in a recent magazine article that 300,000 men would be mobilized out of all branches of the insurance business into essential war industries came back to many insurance men with renewed significance.

The "work or fight" order of the last world war was not clear on the status of life insurance agents, the matter being apparently left to local draft boards, who were to decide each case on its merits. An inquiry addressed to the provost marshal general's office however brought a reply that "the occupation of an insurance agent . . . is not regarded as a non-production employment and therefore it does not fall within the 'work or fight' order." However, some life insurance men wonder whether, even though the same test should be applied today, the war department would take the same view as it did in 1918. For one thing, the contemplated size of our armed forces far exceeds that of the last war while the extent to which warfare has been mechanized in the last generation means that for every man in uniform there must be many more behind the firing line to produce weapons and supplies than was true in 1918.

Advise Employees to Wait

Many insurance executives have been at a loss as to how to counsel male employees of less than 38 years of age who have dependents. However, on the March of Time program the other evening a high government official gave the unequivocal advice that persons in occupations that have not yet been classified should stay where they are. That gave a very convenient answer. Also the bills introduced in Congress to defer fathers from military service until the supply of single men and childless married men is exhausted tended to induce a wait and see attitude on the part of many.

Nevertheless insurance employees so situated are likely to be in a disturbed frame of mind until their situation is definitely clarified. Likewise employers will be unable to make plans so long as it is not known how insurance is to be labeled. One of the big problems in counseling these men with dependents is to tell them what their future status with the company might be if they leave for war work and later desire to return. Of course there are certain men of proved value to whom an executive

(CONTINUED ON LAST PAGE)

English Problem with Profits Cover Similar to U. S.

The fact that insurance companies in England have faced the same problems in the field of what they call profits insurance that companies of this country are facing in U. & O. and rent insurance is emphasized by a talk that was made recently by E. L. Butler of Commercial Union on "Profits Insurance Under War Time Conditions." Also it appears from his remarks that the British companies are about as far from agreeing on a fixed policy in their treatment of aggravation of loss due to war time conditions as are the companies here.

Apprehensive Before War

Mr. Butler remarked that before the war broke out insurers were apprehensive of the conditions that war might have on their liabilities under profits policies owing to delays in replacing lost machinery or raw materials, prohibition of rebuilding, possibilities of invasion, etc. He said they would have been fully justified if they had increased their premium rates or restricted their liabilities to exclude aggravation of risks and prolonged stoppage of work due to the war. However, they did neither and now in the third year of the war they still carry on as in peace time except for break-down insurance. This has been made possible, as the worst fears were not realized although losses have been heavy and delays extensive. However, it is possible that some revision of policy may have to be made.

Excess Profits Tax Problem

One of the big problems was the treatment of the excess profits tax. Assured were treating the tax in different ways. Some included it with profits, others treated it as a standing charge and still others took no notice of it whatsoever. The legal authority is that income tax is part of the profit but the insurance companies went on the theory that the courts would hold that the excess profits tax is not part of the profit for the purpose of profit policies. Hence the insurers concluded that for the purpose of profits policies income tax and excess profits tax would have to be treated on the same basis and where the latter was not covered the assured must suffer in average.

Before the war six months was the normal period of insurance under profits insurance. Twelve months was an exception. Now assured ask for cover for 18 months to two years and sometimes for three to four years.

Problem on Raw Materials

The manufacturer has become interested in obtaining cover against loss of profits caused by the destruction of raw materials at his supplier and in this way the insurers may be faced under numerous policies with an accumulation of risks with the same supplies without being able to ascertain just how large their commitments are.

Mr. Butler referred to the tendency towards concentration of industry by which nucleus factories undertake production for a number of factories and of the various ways in which profits are allocated between members of the group. He said that claim settlements at times could be extremely difficult, especially where the insured risks had been damaged first by enemy action and then by a peril insured against or vice versa.

Watch Cal. Battle Over Writing Power

National Attention Drawn to Conflict Between Fire, Casualty Interests

NEW YORK—Efforts of fire insurance interests in California to obtain legislation to take over the all-risks coverage on money, securities and valuable papers from casualty carriers and the retaliatory attempts of casualty companies to permit all classes of companies to write every type of business (except life and title) are in violation of the understanding reached in 1934 when organizations representing the fire, marine, casualty and surety business agreed on a basis of writing powers, observers here point out.

Furthermore, as a practical matter the two bills introduced in the California legislature would affect only companies domiciled or licensed there which do not do business in New York, for any company licensed in New York must comply with the Appleton rule. This restricts companies to doing either a fire or casualty business but does not permit them to do both. Companies must observe the rule in every state in which they operate even though they may have multiple line charters. The rule has been in effect for many years and was drafted by the late Henry Appleton, deputy superintendent of the New York department.

Agreement Reached in 1934

The understanding on writing powers followed the promulgation of the nationwide definition of marine writing powers. In 1934, with J. J. Magrath, at that time chief of the New York department's rating bureau, acting as coordinator, the various classes of carriers got together and agreed on a division of writing powers among them that was satisfactory to all concerned. The company organizations were the National Board, American Institute of Marine Underwriters, Inland Marine Underwriters Association, Association of Casualty & Surety Executives, and Surety Association of America.

One of the items of legislation that resulted in New York state gave the casualty companies the right to insure money, securities and valuable papers even though a fire insurance coverage was involved to some extent. This was no great loss to the fire companies, as the fire coverage of such risks has been excluded in all standard fire policies, though some fire companies wrote it as inland marine since there was no other market for it.

Basis of Fight

The California legislation had its inception in an occurrence outside the state. A prominent fire company decided to write all-risks coverage on valuable papers even though this class of business had been given to the casualty companies by the 1934 agreement. The joint committee on interpretation and complaint took up the matter and held that the company's action was in violation of the marine definition. A committee of commissioners of which Harrington of Massachusetts was chairman upheld this decision.

The next step was that a California company sought a law that would give

Aetna Fire Officials Promoted to Superior Posts

Buchanan, Morron and Quirk Are Elected Vice-presidents

A number of important official promotions have taken place in the Aetna Fire organization. Thomas F. Buchanan, M. W. Morron and George G. Quirk, formerly secretaries, have been elected vice presidents of Aetna, World F. & M., Piedmont Fire and Standard of New York.

M. B. Seymour and C. L. Allen, formerly assistant secretaries, now become secretaries of the fire companies.

E. S. Geer, W. H. Arnold and Edward S. Crookes have been named assistant secretaries of Century Indemnity and Standard Surety & Casualty.

Promotees Veterans in Business

Mr. Buchanan is an authority on losses and adjustments. He has been with Aetna Fire since 1923. Mr. Morron has been with the organization 41 years specializing in marine underwriting. Mr. Quirk started with Aetna in 1928 and has been in charge of inland marine business since 1934.

Mr. Seymour who entered the business in 1914 joined Aetna Fire in 1921. Mr. Allen entered the business in 1913 and went with Aetna in 1921.

Mr. Geer has been with Century Indemnity since 1926 and Mr. Arnold joined that company the same year. Mr. Crookes has been with Century since 1927.

Honor Cincinnati Past Presidents

CINCINNATI—Reviving an old custom, the Cincinnati Fire Underwriters Association held a dinner attended by agent members this week. Thomas M. Geoghegan, as toastmaster, introduced Superintendent Lloyd of Ohio who installed the recently elected officers.

Gustav May, new president, presented engraved certificates to the past presidents.

E. B. Berkeley of Cleveland, president Ohio Association of Insurance Agents, gave a talk.

the fire companies the right to write the money, securities, and valuable papers coverage and take it from the casualty companies. The casualty people, resentful at this attempt to take away from them a class of business they had long had, retaliated by getting the multiple line powers bill introduced.

Some executives here feel that this disagreement is something that should be handled by an organization within the business, such as the committee of 15, which represents fire, marine and casualty interests. Even those who would like to see a broadening of writing powers so that all companies could write all classes of business feel that this should be effected in an orderly manner and not through the drastic type of measure sought in California.

No Agent, No "App", No Policy, But Loss Held Covered

The Minnesota supreme court has handed down a decision holding New Brunswick Fire liable for a \$7,000 loss to farm property although the insurer never issued a policy on the property, had as a matter of fact rejected the business and although the insurance man involved, while an associate of an agent for New Brunswick, was not himself an agent for that company.

P. F. Kelly of Rochester, Minn., was the insurance man involved. His father, Jim Kelly, had operated an agency there for many years. Upon the latter's death, the son continued the business for a while and then sold it to the E. H. Schacht agency at Red Wing, Minn. Kelly remained with the Schacht organization, being located at Rochester along with one Pendle who it was brought out in the testimony, supervised Kelly's work for Schacht. Neither Schacht nor Pendle were licensed for New Brunswick although the Schacht agency is.

Unsigned Application

In 1940 Kelly made a survey of farm property belonging to Mrs. Rommel, got an unsigned application, sent it to the R. M. Neely Company general agency at St. Paul, which in turn sent it to the Chicago farm department of New Brunswick. The insurer declined to write the business except on different terms and the Neely company returned the application to Kelly stating that the line was in no way being bound. The Neely company sent at least two other letters to the Schacht agency on the subject but these were not answered. On Feb. 26, 1941, another application was received which bore what later turned out to be the forged signature of the assured. The application was dated Feb. 22. Sometime between Feb. 22 and Feb. 26, the dwelling and contents were destroyed by fire.

Kelly, it turned out, had told Mrs. Rommel back in 1940 that a policy had been issued but that it was being kept in the Schacht agency office for her. There was a \$100 smoke damage loss in 1940 which Kelly "adjusted" himself and gave the assured credit on her premium. The evidence showed that the second application with the forged signature was written after the fire occurred but was predated.

In holding for the insured, the supreme court stated that the jury could well find from the facts that Kelly was Schacht's agent at Rochester. He was so listed by Schacht and his dealings with the public confirmed that view. New Brunswick's knowledge of Kelly's connection with Schacht is shown by the correspondence and other facts.

The generally accepted rule is that Schacht as such agent had implied authority "to appoint such clerks, assistants and subagents as were deemed necessary for the proper and efficient transacting of his own and defendant's business. So long as such subagents act within the scope of the appointing agent's authority they bind the company they represent."

The court emphasized that the information contained in the communications from the Neely company were never communicated to the assured. Since New Brunswick could deal only with the public through its agents and representatives, it follows that any letter or other communication between its own agents, without notice to the one entitled to receive it, was but a futile gesture, as of no more force or value as notice to Mrs. Rommel than if Neely had talked to himself about it.

George A. Le Monnier, partner in the George W. Roberts & Son Agency of Chicago, was guest at a birthday luncheon Wednesday attended by members of the agency and company representatives. It was his 50th birthday.

Head of Insurance Department of Navy



LESTER F. BECK

Lester F. Beck, chief of the Navy insurance department, has developed an organization in Washington of capable insurance men and the operations of that department are well regarded by those who have had experience with it. Mr. Beck was in charge of insurance for the ordnance department of the army for about a year before he was assigned the task of organizing the Navy insurance department. He entered the insurance business in 1928 with the W. A. Alexander & Co. agency of Chicago, then served for a time as trust officer of a Chicago bank. In 1935 he went to the National Board as assistant counsel and in 1937 became counsel for the National Automobile Underwriters Association.

Forbes Would Organize Insured

DETROIT—Insurance policyholders of the nation should organize to protect their interests legislative-wise, B. C. Forbes, financial authority and president of the Investors Fairplay League, declared before the Adcraft Club here. He was introduced by W. B. Cary, Michigan Insurance Agency, president of the Detroit Association of Insurance Agents and chairman of the local chapter of the league.

Policyholders, life, fire and casualty, should take a tip from the experiences of labor and the farm groups and should take steps to form a pressure group to watch legislation lest they suffer the fate of other unorganized groups, no matter how large, he said.

McCotter on Protection Committee

C. R. McCotter, president of Grain Dealers National Mutual Fire of Indianapolis, has accepted membership on the Insurance Committee for the Protection of American Industrial Plants. He succeeds to the committee post formerly held by the late J. J. Fitzgerald, former president of Grain Dealers.

Simplify I. U. B. Checking Rule for Duration

A simplified procedure for handling the checking of single state reporting form A contracts has now been put into effect. Previously the Interstate Underwriters Board checked average values on all final premium adjustment statements under single state form A. Now the adjustment statements will go to the individual state auditing offices for stamping both as to correctness of the average values and as to computation.

Previously also there was sent to the I.U.B. monthly reports of values and at the end of the year the I.U.B. would check these average values. After having done that work the results would be sent to the various auditing offices.

Now there are to be no more monthly reports of values under form A but when the policy expires the adjustment will be made up and sent to the audit bureau and the report of values will accompany the adjustments. This change is made at least for the emergency.

Report WDC Willing to Broaden Its Cover

NEW YORK—Reports from Washington point to the possibility that the War Damage Corporation will take steps to broaden its policy so as to cover at least part of the gap that now exists between the WDC contract and the fullest coverage available under the fire insurance policy with extended coverage. Many insurance men have felt this to be the proper approach to closing the gap, particularly the risk of damage by military planes of friendly nations.

If these reports are accurate the proposal of the company committee, which has been working on a new war exclusion for the standard fire policy, would have to be revamped. This proposal would dovetail the standard fire policy exclusion to complement the WDC coverage. The proposed clause has been forwarded to acting Superintendent Cullen of New York.

Ill. Insurance Tax Collections

The Illinois insurance department paid into the state treasury almost \$19 of taxes and fees it collected from insurance companies for every dollar spent on operating expenses during the year ended June 30, Director Paul F. Jones reports. The department collected \$8,965,638, and spent \$475,752. The privilege tax of 2 percent of gross premiums on Illinois business produced \$8,240,174, license fees \$157,127, brokers' licenses \$113,784, and the fire marshal tax \$207,181.

Lieut. Wallace L. Dinn, Jr., 28, son of Mr. and Mrs. Wallace L. Dinn, Sr., Corpus Christi, Tex., has been reported missing in action in the south Pacific. He was associated with his father in the W. L. Dinn & Co. agency prior to entering service as a volunteer. He was a graduate of University of Texas.

Four Agricultural Officers Advanced to Higher Positions

Four officers of Agricultural and Empire State have been promoted. Harold W. Tomlinson, the treasurer, has been elected vice-president and treasurer and George G. Inglehart, formerly secretary, was elected vice-president. A. L. Hollenbeck and K. E. Chapman, formerly assistant secretaries, become secretaries.

Mr. Tomlinson, after serving in the last war, was a public accountant in New York with Bowers & Suffern. He joined Agricultural in 1920 as chief accountant. He was named assistant treasurer in 1924, treasurer in 1928 and a director in 1940.

Mr. Inglehart got his first experience in the business during summer vacations while attending Cornell University. He worked as a map clerk. Upon graduation in 1915 he went with Agricultural permanently and was made manager of the loss department in 1920, assistant secretary in 1924, agency secretary in 1927 and secretary in 1934. He supervises New England and seven middle western states.

Mr. Chapman started as a map clerk in 1920 and in 1928 went into the field in Kentucky and Tennessee. In 1931 he was recalled to the home office in the loss department and was made manager of that department in 1935. He was elected assistant secretary in 1938.

Confer On Mo. Qualification Bill

JEFFERSON CITY, MO.—Harry M. Gambrel, president the Insurance Agents Association of Kansas City, and chairman of the committee preparing an agents' and brokers' qualification bill, has called a conference of insurance interests of the state here Feb. 11, to discuss with Superintendent Scheuffer the final draft of the bill, which will then be submitted to the legislature. The final draft has been prepared by attorneys of the insurance department.

The conference will be attended by Mr. Gambrel and George Oppenheimer, Kansas City; Howard Blair, Fred Maginnity, Oliver Blase, John J. O'Toole, J. W. Rodgers, Frank X. Jones and William Eichenser, St. Louis, and others.

Country Golf Club Status

The underwriting of country golf clubs remote from bus or train transportation depending almost entirely on automobiles is coming before companies. In the Chicago district, for instance, the famous Kildere Club has closed for the duration. It has three 18-hole courses and is one of the most beautifully situated in the area. The companies naturally will shy at clubs that are closed.

While the hazards of kitchen, smoking, etc. may be terminated yet there are others apparent that are more dangerous. There will be a lack of care. Underwriters fear that intruders may get into buildings, cause damage and there will be a general letdown in looking after the properties. There will be other clubs that will close. Some are waiting to see whether they can stir up enough members to carry on. The resignations are numerous and until the golf season opens it will be difficult to tell just how the clubs are affected. However the companies anticipate a large mortality in these clubs this year.

Pacific Factory Election

C. D. Lasher of Home was elected president of the Pacific Factory Insurance Association at the annual meeting. Ray Decker and H. F. Mills are vice-presidents; G. V. Lawry, secretary; T. J. Craig, treasurer, and H. C. Edmundson, chairman executive committee. Members of the executive committee are C. C. Hannah, Malcolm Cravens, Ward S. Jackson, Paul McKown, Herbert Ryman and Joy Lichtenstein.

THIS WEEK IN INSURANCE

National interest is attracted to the conflict that is developing in the California legislature between fire and casualty interests in regard to writing powers. **Page 3**

War Shipping Administration eases its clause voiding the policy if collateral is shy, permitting the assured to pay a \$100 fee to make up an inadvertent shortage. **Page 5**

Western Adjustments report on 1942 losses shows automobile and windstorm down sharply, fire and marine up, and more large fires. **Page 5**

Members of Illinois County & Probate Judges Association at meeting in Chicago strongly endorse corporate sureties and recommend restrictions on personal surety. **Page 19**

Several official promotions are announced in Aetna Fire organization. **Page 3**

Rate changes in commercial car classifications are decided upon by stock and mutual rating bureaus. **Page 19**

Accidental deaths in 1942 numbered 93,000, an improvement of 8,500 over 1941, the National Safety Council estimates. **Page 19**

New National Association of Surety Bond Producers states some of its complaints and objectives. **Page 20**

Plans for annual meeting of Health & Accident Underwriters Conference in Chicago, June 3-4, announced. **Page 21**

John R. Peterson tells Chicago group how to proceed to avoid producing unfair and unfavorable governmental rulings. **Page 21**

WSA Eases Clause Voiding Policy

Insured Can Pay \$100 Fee and Make Up Inadvertent Shortage

NEW YORK—Insured having War Shipping Administration open cargo war risk policies need no longer stay awake nights wondering if they have voided their coverage by inadvertently exceeding the collateral or surety bond which they are required to maintain for an amount in excess of premiums payable on risks which have attached, for the WSA has now made it possible to keep the coverage in force on insurance attaching on and after Jan. 30 even though the collateral surety bond has been exceeded. In addition to this new provision a special procedure has been outlined for cases where an insufficiency of collateral occurs prior to Jan. 30 or where it merely appears to have occurred.

The provision governing the exceeding of the collateral or bond has caused much confusion and a great deal of uneasiness among insured, for previously violation of the collateral warranty has made the insurance not merely voidable but automatically void. The fact that wartime secrecy necessarily shrouds ship movements in secrecy makes it possible for insured to have a considerably greater amount at risk than he may realize. He may have a huge concentration of values afloat if some of the shipments have been delayed in sailing, some are moving as expected and perhaps others are being shipped ahead of schedule.

Insufficiency of Collateral

Where an insufficiency of collateral occurs on risks attaching on and after Jan. 30, the WSA policy now provides that the insured may keep the coverage in force if, within seven days of learning of the inadvertent deficiency in the deposit or bond he provides additional collateral or a bond at least double the amount of the deficiency and in addition pays a \$100 fee for continuing the policy. The insured must also file a prescribed form of affidavit, setting forth all the pertinent facts, including the date on which the insufficiency became known and all the circumstances, and the fact that insured honestly and in good faith intended the shipments to be covered under the policy in question. If the WSA should determine that the insured's failure to maintain sufficient collateral was wilful rather than inadvertent, the policy would be void from the date when the collateral or bond first became insufficient.

The \$100 fee is in the nature of a fine, but ordinarily an insured would regard it as a cheap price to pay for keeping his coverage in force without interruption.

Where an assured has definitely exceeded his collateral with respect to risks attaching prior to Jan. 30 or where it merely appears that he has exceeded his collateral, the procedure is somewhat different. In the first case the policy is void as of the date the insufficiency occurred, but the assured may apply for a new policy carrying optional endorsement XV promulgated concurrently with the new order. This endorsement provides that with respect to shipments coming within the policy scope but failing to attach under it by reason of having been shipped or consigned before attaching dates shown in part 1 of the new policy, the insurance is nonetheless to attach provided that the goods have not yet arrived at port of final destination on or before the date of the endorsement and that on that date there is no known or reported loss, i.e., known or reported either to the assured or the WSA. However, the endorsement does not cover any goods which would not have been covered under the terms of the cancelled policy had the policy remained in full

Auto and Wind Losses Down

Western Adjustment's 1942 Report Shows More Fire, Marine Claims, Larger Losses

The annual report of Western Adjustment reveals that losses in 1942 totaled 337,996, a 15 percent decline from the all time high of 406,690 in 1941, for all classifications. However, automobile claims dropped 40,658 to 118,939, and windstorm claims decreased 30,650 to 114,321, which accounted for the decline in total claims handled. At the same time fire and inland marine losses rose in both frequency and size, the number of fire losses totaling 88,722, compared with 87,165 in 1941, and inland marine losses 15,687 compared with 14,257.

The report was presented at the annual meeting of directors by R. A. Sellery, secretary and treasurer, who is general manager of Western Adjustment, and J. C. Harding, vice-president of Springfield Fire & Marine, president, both of whom were reelected, as was E. A. Henne, vice-president of America Fore, vice-president. In addition, directors made elective the offices of assistant secretary and treasurer, and elected R. R. Lippincott and J. H. Burlingame, Jr., assistant general managers at the head office. They have occupied the posts heretofore, but the offices now are elective.

The following directors were reelected for three years by stockholders: W. N. Achenbach, Aetna Fire; S. M. Buck, Great American; W. K. Maxwell, Hanover; G. C. Long, Jr., Phoenix of Hartford, and Mr. Henne.

Discusses Automobile Claims

Automobile losses decreased in number rapidly in the last six months of the year, Mr. Sellery said in presenting the report, and he believes the number will show a further decline, considering restricted speed limit, rationing of gasoline, and conservation of tires. The prediction, he said, applies also to commercial cars. Because production has been discontinued, difficulty arises in establishing actual value at time of loss involving dealers' stocks of new cars. The repair end of the business is becoming more chaotic, he added. Reduced personnel causes delay. Difficulty in obtaining parts delays repair work. This deprives the repair concern of space

which otherwise could be utilized for additional work had there been no delay. All of these conditions make competitive bidding less attractive.

In addition, the market for salvage is becoming acute. There has been a radical change in the list of approved subrogation attorneys, since many have been inducted into service. These conditions probably will not improve materially for the duration. Generally speaking, he



R. A. SELLERY

said, it requires more time, tact, and patience to close automobile losses today than heretofore.

The salvage and subrogation department of Western Adjustment continued its favorable record in 1942. On 4,325 automobile losses aggregating \$665,093, recovery under subrogation amounted to \$397,262, while on 4,414 salvage cases \$361,021 was recovered.

Inland marine business written by the companies increased, and so did the number of losses. Motor truck cargo

(CONTINUED ON PAGE 14)

force and effect. The assured must pay a rate 50 percent in excess of standard WSA rates for goods covered under the endorsement. The effect is, of course, to cover shipments afloat but subject to the no known or reported loss warranty mentioned above.

Where it merely appears to an assured that he has exceeded his collateral prior to Jan. 30 he may request the issuance of a new policy to which should be attached optional endorsement XV referred to above. However at the time of requesting the new policy he must also request the waiver of the 15-day notice of cancellation clause in the contract. This is necessary since the assured is not certain that the collateral has been exceeded and that his policy is void.

Thus, in instances where prior to Jan. 30 insufficiency of collateral has definitely occurred, or where it merely appears to have occurred, an assured may

protect himself except as to losses known or reported, to him or to the WSA. The only gap in coverage under these arrangements appears to be the possibility of losses, known to assured or WSA, occurring between the date of exceeding the collateral and the date of the attachment of endorsement XV. This arrangement may be used only where the collateral is exceeded prior to Jan. 30, since the amendment to clause 13 of part II of the policy provides for insufficiency occurring after Jan. 30.

In the case of insured who have had new policies issued with endorsement XV to cover possible insufficiency of collateral special provision has been made for insured to use the unimpaired portion of his collateral or bond to secure the payment of premiums under the new policy. This is subject to certain special provisions, details of which may be obtained from the underwriting agents.

Watching Agents on Tax Payments

Companies Fear That Some May Not Be Putting Up a Reserve

Some companies are having their field men make an investigation and keep a sharp outlook on the condition of agents in the light of income tax liability. Some agents have not set up proper tax reserves and companies are anxious lest they use balance funds to pay taxes.

Field men have been carrying on more or less of an educational campaign cautioning agents about the income tax and urging them to make proper provisions for it. Some companies have taken the matter in hand and are getting reports from their field men where they fear there may be some trouble ahead.

The American Life Convention has suggested that agents be cautioned to set aside enough to take care of the victory tax when it becomes due in 1944. The companies, of course, will not withhold this tax from commission remittances to agents but the individual agent is liable for payment of the tax on his net business income when it comes time to pay the 1943 federal income tax on March 15, 1944. The agents, of course, may deduct certain business expenses from their gross income in calculating the tax.

Speakers Named for Tulsa Meeting

Several addresses are to be given at different times during the meeting of the National Board of State Directors of the National Association of Insurance Agents at Tulsa next week. The speakers will include Commissioner Read of Oklahoma; E. H. O'Connor, executive director of the Insurance Economics Society, Chicago; Milton W. Mays, director of the Business Development Office; W. H. Bennen, vice-president of American Surety.

The annual meeting of the Oklahoma Association of Insurance Agents will be held next Tuesday, which has been designated as Oklahoma Day. In the morning the Oklahoma members will attend the open session of the National meeting. There will be a joint luncheon of the N.A.I.A. and the Oklahoma association with G. M. Landes of Tulsa, the Oklahoma president, presiding. That afternoon the Oklahoma agents will have a business session for election of officers and that evening there will be the annual banquet with David A. North, president of the N.A.I.A., presiding.

Can't Extend Statement Time in Pa., Neel Says

Commissioner Neel of Pennsylvania has notified the companies that the statutes of his state do not permit extending the time for filing annual statements of insurance companies. However, he is granting a 60-day extension for filing schedules required in the annual statements due to the war conditions.

FIGURES FROM DEC. 31, 1942, STATEMENTS

	Assets	Changes in Assets	Reins. Res.	Changes in Reins. Res.	Capital or Stat. Dep.	Surplus	Changes in Surplus	Net Prema.	Losses Paid	Loss Ratio
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Aetna Fire	59,857,478	-108,491	23,047,484	-347,177	7,500,000	17,213,856	+889	29,864,669	16,122,760	54.0
Eagle Star	6,393,781	-361,561	2,134,192	+26,170	500,000	1,857,271	-654,867	4,298,506	2,738,915	63.7
Firat National, Wash.	1,837,992	+217,932	796,773	+119,461	500,000	392,313	+50,936	787,752	344,606	31.0
General, Wash.	21,848,152	+3,256,607	9,948,453	+1,101,200	1,000,000	7,454,769	+863,128	11,689,839	3,510,332	30.0
Old Dominion Fire	412,998	-29,541	.....	-32,460	200,000	210,523	+5,957	-20,728 ¹	9,090 ¹	.....
Piedmont Fire	3,626,240	+343,583	1,567,876	+104,029	1,000,000	701,486	+50,214	2,071,935	1,026,565	49.5
Premier, Cal.	2,886,227	-1,265,988	946,775	-1,570,668	200,000	1,286,657	+402,617	1,257,061	1,836,708	146.0
Standard, N. Y.	9,200,743	+742,224	3,805,024	+373,339	1,500,000	2,497,500	-126,099	6,179,071	2,988,143	49.5
World Fire & Marine	7,402,242	+264,814	2,036,387	+251,206	1,000,000	3,905,905	+21,760	2,411,146	1,212,748	54.5
Premiums written \$70,173, ceded \$90,902. Losses paid \$28,370, less reins.	\$19,280.									

Principal Lines in 1942

AETNA FIRE		
	Net Prem.	Losses Pd.
Fire	\$15,145,171	\$5,847,517
Extended coverage..	1,388,963	511,489
Tornado-windstorm..	679,091	387,007
Sprinkler leakage..	86,771	20,782
Riot and explosion..	469,961	2,128
Earthquake	41,750	158
Hall	933,751	693,451
Motor vehicle	2,494,008	2,890,929
Ocean marine (ex- cluding war risks)	2,133,151	811,916
Inland marine	2,502,984	1,002,641
Aircraft	169,416	61,377
Ocean marine (war risks only).....	3,808,017	3,879,198
Rain	11,630	14,161

EAGLE STAR		
Fire	\$1,379,531	\$ 449,355
Extended coverage..	149,573	38,152
Tornado-windstorm..	31,096	29,997
Sprinkler leakage..	5,330	1,486
Riot and explosion..	19,221	985
Earthquake	5,773	39
Hall on growing crops	9,522	5,883
Motor vehicle	167,466	94,428
Ocean marine (ex- cluding war risks)	571,650	326,216
Inland marine	174,752	52,436
Ocean marine (war risks only).....	1,778,438	1,737,590
Other lines (rain)...	6,147	2,343

FIRST NATIONAL, WASH.		
Fire	\$ 542,009	\$ 144,097
Extended coverage..	96,274	19,316
Tornado-windstorm..	14,541	7,027
Sprinkler leakage..	103	.....
Riot and explosion..	417	17
Earthquake	59	.....
Motor vehicle	133,911	73,923
Inland marine	438	224

GENERAL, WASH.		
Fire	\$5,833,561	\$1,918,175
Extended coverage..	933,168	291,007
Tornado-windstorm..	201,096	118,911
Sprinkler leakage..	16,908	2,280
Riot and explosion..	36,098	1,255
Earthquake	38,107	310
Motor vehicle	2,067,648	894,661
Inland marine	735,245	226,550
Ocean marine (war risks only).....	186,787	57,784
Other lines (land war risk).....	1,641,221	.....

PIEDMONT FIRE		
Fire	\$1,015,898	\$ 290,583
Extended coverage..	104,507	10,239
Tornado-windstorm..	39,192	12,370
Sprinkler leakage..	9,100	558
Riot and explosion..	42,215	6
Earthquake	2,336	.....
Hall	48,381	11,333
Motor vehicle	573,346	507,334
Ocean marine (ex- cluding war risks)	44,896	23,119
Inland marine	148,902	67,464
Aircraft	230	40
Ocean marine (war risks only).....	47,694	102,315
Rain	734	1,200

PREMIER, CAL.		
Motor vehicle	\$1,257,061	\$1,836,708

STANDARD, N. Y.		
Fire	\$2,287,857	\$ 655,956
Extended coverage..	281,893	62,362
Tornado-windstorm..	60,862	54,008
Sprinkler leakage..	19,356	542
Riot and explosion..	64,628	460
Earthquake	1,888	.....
Hall	4,342	2,216
Motor vehicle	1,544,537	857,920
Ocean marine (ex- cluding war risks)	258,815	120,107
Inland marine	131,434	47,671
Aircraft	168	.....
Ocean marine (war risks only).....	1,512,494	1,186,897

WORLD FIRE & MARINE		
Fire	\$1,296,266	\$ 547,682
Extended coverage..	104,358	18,297
Tornado-windstorm..	24,295	14,139
Sprinkler leakage..	10,612	1,306
Riot and explosion..	81,037	235
Earthquake	941	.....
Hall	193,002	50,164
Motor vehicle	333,885	247,308
Ocean marine (ex- cluding war risks)	60,725	112,627
Inland marine	182,952	82,243
Aircraft	397	3
Ocean marine (war risks only).....	121,632	238,736
Rain	1,037	.....

Question Terry in Mo. Hearings

ST. LOUIS—Attorney-general Roy McKittrick of Missouri questioned Paul W. Terry, manager of the Missouri Inspection Bureau here Monday and Tuesday and then adjourned the final session of the hearings in his ouster suit against fire companies till Thursday. The session may end this week.

McKittrick questioned Mr. Terry on the Missouri rule book issued by the Missouri Inspection Bureau in an effort to establish that the material in it had been furnished by the Western Actuarial Bureau. Mr. Terry said that from time to time he had consulted with officials of the Western Actuarial Bureau to get their expert advice on various matters. He denied, however, that all of the rules and other items had been sent him by the actuarial bureau. Much of the contents of the book was prepared by himself with the assistance of other persons in the Missouri Inspection Bureau office, he said. This was especially true as to the rates and rules covering dwellings and farm properties. But he readily added that he had discussed the farm schedules for 1936 and 1937 with a number of farm underwriters in Chicago and that a representative of the Western Actuarial Bureau may have attended that gathering. The Missouri insurance department was represented by its chief rater. He also discussed some problems in connection with dwelling rates with Russell D. Hobbs, manager of the Western Actuarial Bureau. He declined to guess how each of the some 20,000 fire agents in Missouri may use the rule book.

He said that the book and its various changes and revisions are sent to those on the Missouri Inspection Bureau's mailing list to advise them as to what they should do to comply with the requirements of Missouri's rating law, which went into effect in 1915.

Commissioner Windsor admitted as exhibits a number of newspaper clippings which McKittrick investigators found in the personal files of Mr. Terry's office, dealing with phases of the Missouri rate litigation. McKittrick

has withdrawn a number of the exhibits heretofore tentatively admitted by Commissioner Windsor.

After Mr. Terry completes his appearance Commissioner Windsor will hear arguments of counsel relative to the final admission of some exhibits.

Highway Bureau Self Insures

The Rock county board of supervisors at Janesville, Wis., has decided to discontinue buying third party liability insurance on employees and cars of the highway department and has instead appropriated \$10,000 from the general fund for a self insurance setup. Highway Commissioner Moore expressed the belief that the revenue from the bonds would cover the average damage claims of the department. The general fund is to be reimbursed at the rate of \$2,000 annually by the highway department. The Janesville "Gazette" assailed this action, stating it is absurd to think that a single county can anticipate future liabilities resulting from operations of its personnel and equipment and assure against them by the simple expedient of taking money from one pocket and putting it into another.

The board apparently was impressed by the favorable record of the highway department but the "Gazette" stated the record may be largely attributable to "good luck."

Comprehensive Policy Decision

The New York appellate division has given a decision clarifying the scope of comprehensive automobile insurance. It holds that collision, even though resulting from an act of mischief, is definitely outside the policy coverage.

The case, Shahin vs Niagara Fire, involved damage caused by a six year old boy starting a car. The car collided with a tree. The appellate division stated: "There is nothing occult about the policy because it happens to be a comprehensive, all risk coverage policy. The language of the policy is direct, simple and easily understood."

R. A. Corroon, Jr., son of the president of the Corroon & Reynolds companies, who has been in the army for some time, has finished officers training and been commissioned a second lieutenant.

Withhold Action on Change in N. Y. Exchange Rule

Because of questions raised by several brokers as to the effect of the New York Fire Insurance Exchange's proposed endorsement covering additional cost of repairs due to building code requirements the exchange voted to withhold its decision on the endorsement until the March meeting, after W. J. Reynolds of Corroon & Reynolds, chairman of the rates and rules committee suggested that action be deferred to permit further discussion.

The endorsement would permit the insuring of the extra cost of reconstruction after fire where building codes prohibit rebuilding with the same materials, for example a wood shingle roof. The extra cost of reconstruction where a building damaged beyond a certain point must be demolished entirely because of building code requirements has been insurable here for many years. Several regional rating organizations are awaiting the New York exchange's action on the increased cost of construction endorsement and plan to use it as a model. Last fall an endorsement was promulgated here but was almost immediately withdrawn when certain inconsistencies were revealed. However, insured could still have their risks bound, subject to the type of endorsement to be ultimately adopted.

Central Manufacturers Figures

Assets of Central Manufacturers Mutual amount to \$9,791,345, an increase of \$1,101,811. Surplus increased \$226,235 to \$3,289,009. Cash and government bonds comprise 65.1 percent of assets.

Ohio Mutual Men Elect

COLUMBUS—The Mutual Insurance Field Club of Ohio at its annual meeting elected J. Howard Rohrer, Guarantee Mutual, president; Cade Shulenberg, Minster Mutual, vice-president, and T. K. Mathers, Automobile Owners, executive secretary. W. C. Finney, Central Manufacturers, and A. E. Adolph, Pawtucket, were placed on the executive committee.

The Accident & Health Bulletins help get business. For information write 420 E. Fourth St., Cincinnati.

MORE OF THIS means LESS OF THIS



• News of American Flying Fortresses dropping 1-ton demolition bombs on Nazi submarines at their concrete hideouts in the French port of Lorient means that fewer of our sailors and merchant seamen will be floating on life rafts in the cold, storm-tossed Atlantic. It will also mean that more supplies will get through, to enable our men to win this war sooner.

Such news is particularly welcome to Marine Underwriters, who insure America's ships and cargoes. We are also proud to serve by furnishing Inland Marine and Transportation Floaters for war industries, as well as the commercial and personal requirements of today.

MARINE OFFICE OF AMERICA

WESTERN DEPARTMENT
INSURANCE EXCHANGE BUILDING • CHICAGO

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Retail merchandising in America finds one of its most advanced expressions in the "department store." From modest beginnings in 1850, this institution developed rapidly, aided by the growth of large cities, increase in factory production, and improved transportation and communication facilities.

Latest available statistics show a total of 4,074 department stores, with an annual sales volume of approximately four billion dollars. The curtailed transportation facilities incident to the country's war program have enhanced department store popularity by emphasizing the advantage of being able to purchase an extensive variety of merchandise at one location.

Department stores, because of the wide influence they exert in creating markets for products developed in research laboratories to utilize "non-defense" materials, are currently helping in a practical way to build America during a period of war-time conservation.

Protecting America!

Because of the variety and extent of their activities, and the vast values represented, department stores require an extensive list of insurance coverages to safeguard their investment in buildings, equipment and merchandise—also to protect their income and legal obligations.

Operating as a "department store of insurance," the Royal-Liverpool organization, through its representatives in all parts of the country, makes a wide variety of coverages quickly available, and backs them with the highly developed services of many specializing departments and field representatives. For particulars regarding the production aids available to Royal-Liverpool Agents address our Publicity Department.

AGENTS AND BROKERS—Have you told property owners in your area about the importance and availability of War Damage insurance?

ROYAL LIVERPOOL GROUPS

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA • THE LIVERPOOL
LONDON & GLOBE INSURANCE CO. LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • QUEEN INSURANCE COMPANY OF AMERICA • THE NEWARK FIRE INSURANCE
COMPANY • FEDERAL UNION INSURANCE COMPANY • ROYAL INSURANCE COMPANY, LTD. • THE SEABOARD INSURANCE COMPANY • STAR INSURANCE COMPANY OF AMERICA

NEWS OF THE COMPANIES

'42 Premiums of Springfield Group Largest in History

Net premiums of the fire companies in the Springfield group increased last year by \$2,396,188 or 12.72 percent, the total being \$21,223,844. This is the largest volume in the history of the organization. The previous peak was in 1928 and the 1942 total exceeds that year by more than \$2,300,000. Premiums of the parent company were \$18,045,696, increase \$2,036,927; Sentinel, \$528,767, increase \$60,668; Michigan F. & M., \$2,121,751, increase \$239,750, and New England Fire, \$527,630, increase \$58,843.

Losses incurred of the four companies were \$9,652,538, the ratio to premiums written being 45.48 as compared with 43.1 the previous year. Expenses paid were \$9,460,108, the ratio to premiums written being 44.57 as compared with 46.02 the year before. Total premium reserves were \$19,038,111, an increase of 7.84 percent. There was a statutory underwriting gain of \$312,297 as compared with \$85,763 in 1941.

The assets of all the companies made a gain, that of Springfield being \$1,825,180. Net surplus of Springfield was \$13,120,970. Federal income tax went up from \$37,917 for the four companies to \$328,874. The group wrote War Damage Corporation premiums of \$1,182,352. More than 20 percent of the male employees have been inducted into the armed services.

Great American Scores Premium Gain of 20%

Great American in its new annual statement reports assets of \$51,082,355, an increase of about \$1,000,000 from the previous year. Premium reserve was about \$1,150,000 higher at \$16,350,114. Capital is \$8,150,000 and net surplus \$21,136,660.

Premiums were more than 20 percent in excess of the 1941 writings, being \$20,452,181. Losses and loss expenses incurred were \$11,444,240 and expenses \$8,337,886. There was an underwriting loss of \$632,056.

Assets of American Alliance were \$8,648,156, premium reserve \$2,368,807, capital \$3,000,000 and net surplus \$2,671,725.

Assets of American National were \$1,198,769, capital \$500,000 and net surplus \$684,269.

County Fire had assets \$2,491,270, capital \$1,000,000 and net surplus \$722,849. The assets of Detroit Fire & Marine were \$4,037,336, capital \$1,000,000 and net surplus \$1,763,840.

Agricultural Has 12% Premium Gain

The combined premiums of Agricultural and Empire State last year were \$11,253,620, which was an increase of 12 percent over the previous year. With a premium increase, the expense ratio declined to less than 40 percent, which is the lowest for many years. The combined assets stand at \$18,645,757, which is an increase of \$554,628. Surplus to policyholders of Agricultural is \$6,664,767 and of Empire State \$2,264,778.

President H. R. Waite said the most serious situation of the year was in connection with the marine business. He recalled that Agricultural entered the marine field in 1917 and that in all but four years it had made a profit. Early in 1942, due to the submarine sinkings

the war risk business became very unprofitable. War Damage Corporation premiums produced by Agricultural and Empire State amounted to over \$1,500,000.

The assets are divided 2 percent in real estate, 6 percent in mortgages, 38 percent bonds, 15 preferred stocks, 17, common stocks, 13, cash, 8, agents balances and 1 percent in others.

The values carried in the annual statement are less than actual market value by \$283,945.

Pacific National Has Excellent Year

Pacific National Fire's assets increased \$630,130 in 1942 to a new high of \$9,539,352. Surplus increased \$238,138 to \$2,442,664. On a market basis assets would be \$9,684,720.

Unearned premiums reserve was \$4,936,351 at the close of the year, an increase of \$195,781. The company increased its holding of U. S. bonds by \$576,091, making the total \$2,341,970. Its cash account amounts to \$1,028,459 and this sum, plus U. S. bonds, other bonds, and preferred and common stocks total \$8,613,400, or more than 90 percent of total assets.

Premium income was about the same as in 1941, the total being \$4,087,238, compared with \$4,098,942.

In presenting the annual report President Frank N. Belgrano, Jr., expressed pride in the fact that 53 of the com-

An invitation to AGENTS & BROKERS



"We want, limited though in some respects our ability to do so may be, to make them feel at home—and to know that they have friends in the British Isles who think of them and are glad to see them. That is the simple thought which is in our minds." (J. A. Jefferson, Chairman, British Insurance Association.)

identification, (see illustration above) which has been prepared for this purpose.

To obtain such a card, application should be made to any insurance company with which the agent or broker has business relations. All insurance companies are fully acquainted with the details of this Hospitality Plan.

As it cannot be known who will be going overseas, cards are available to all inducted members of the insurance industry and will be promptly issued without cost or obligation of any sort.

**OVERSEAS FORCES
HOSPITALITY COMMITTEE**
C. R. REDGRAVE, Chairman
150 William Street, New York, N. Y.

THE BRITISH INSURANCE ASSOCIATION, London, (an organization whose membership embraces executives of Fire, Life, Casualty and Marine Companies located in Great Britain) extends a sincere welcome to all members of the insurance industry now serving in, or who may later be inducted into, the armed forces of the United States, who may happen to be in the British Isles at any time while serving overseas.

Reception committees have been set up in the principal cities and towns in Great Britain, as listed on the card of introduction and

pany's employees now are in the armed services.

Extra for Virginia F. & M.

Virginia Fire & Marine has declared an extra dividend of 50 cents a share. The customary 2 percent dividend will be paid March 1.

J. J. Healy on Excelsior Board

J. J. Healy, head of the Healy Bros. agency of Barre, Mass., has been elected a director of Excelsior of Syracuse, succeeding Maj. Donald G. North of New Haven, who is now in the air force.

C. F. O'Donnell, president of Southwestern Life of Dallas, has been elected a director of Gulf of Dallas, the fire insurance company.

Business Building Letters

The Rough Notes Company of Indianapolis has put out a book, "Business Building Letters for the Insurance Man," by Jerome S. Miller. It sells for \$2.50. They are service letters, sales letters and can be used in all forms of insurance work. The author tells how to use business building letters effectively. They are intended to lessen the work of the agent and to make a better impression on prospects and customers.

A new bomb film was shown at the Kansas Blue Goose meeting in Topeka by the Kansas Inspection Bureau.

FIELD

Nolen to Navy; N. B. & M. Makes Mich. Changes

W. L. Nolen, manager of North British & Mercantile's Michigan department, has been commissioned a lieutenant in the naval reserve and will report for duty Monday. During his absence the Michigan department will be under the joint supervision of Assistant Manager E. F. Cunningham and A. G. Barker, formerly superintendent of the improved risks department, who has been advanced to assistant manager of the Michigan department.

Indiana Field Men Hear Talk on Federal Taxes

Roy J. Pile, Indianapolis public accountant, answered federal income tax questions put to him by members of the Indiana Fire Underwriters Association and guests following a luncheon Monday. As to danger of over-paying through having the Victory tax deducted at the source, Mr. Pile said that if more than the net tax owed at the end of the year has thus been paid, the excess will be refunded.

The Victory tax cannot be deducted from income derived from commissions in the course of earning but will be payable at the end of the year in addition to the regular annual tax, he explained. Naturally, considerable interest was shown in deductions that may be made, such as payments for life insurance, for accident and health insurance, for sickness prevention measures and for the purchase of certain amounts of war bonds.

He explained the Ruml plan and showed some of the problems that arise if taxes for 1942 are to be waived.

G. R. Pritchett, American, president of the association, presided. The meeting had been arranged by the educational committee, of which W. R. Caskey, Travelers Fire, is chairman.

Among guests introduced were Norman T. Robertson, president of Secured Fire & Marine, and H. G.

Thomas, assistant secretary of that company.

Will Inspect Plaquemine, La.

The Association for Reduction of Fire Loss of New Orleans, of which Alonzo Church is secretary, has scheduled an inspection of Plaquemine, La., for Feb. 17. H. F. Foster, Jr., is general chairman of the meeting.

America Fore Dallas Rally

The annual conference of America Fore field men of the southwest will be held in Dallas Feb. 21-23. L. P. Jervey,

vice-president; J. D. Culpepper, assistant secretary, and G. A. Nicholson, chief examiner, will be in charge.

Ill. Blue Goose Party Feb. 25

The Illinois Blue Goose has scheduled a dinner and initiation in Springfield Feb. 25. The Dan T. Smith puddle of Springfield-Decatur will act as host.

Barrett Is "Honker" Editor

Leo Barrett, Fire Companies Adjustment Bureau, has been appointed editor of "La Honker," monthly publication of the Louisiana Blue Goose. He suc-

ceeds Chester Farrell, state agent of Security, recently resigned. Mr. Farrell will lend a hand as reporter.

Seek Records for Flyers

A new war activities committee has been appointed by the San Francisco Blue Goose. Hugh F. Coburn, Home, is chairman.

Its first assignment is to collect up to date phonograph records for flyers operating from Alaska bases. This resulted from an appeal by Jay W. Stevens, chief of the fire prevention bureau



Is War Endangering YOUR Insurance?

HOWEVER BRAVELY we fight against rising price levels, we must face one undeniable fact caused by the war:

If it is possible to replace property in the event of loss, the chances are a hundred-to-one that you will pay more for it today than you did before the war. The value of almost every property in your business and in your home has gone up.

Like most people you probably realize this. Yet like all too many people you may have neglected to increase your insurance proportionately. If so, you stand vulnerable in these increasingly hazard-

ous days, to serious loss. Why take unnecessary chances?

See Your Insurance Man Today!

Your one safe course is to call upon the man who knows how to bring your insurance into line with changing wartime values... bring your insurance up to date. His expert, conscientious help may save you serious financial embarrassment if you act now! And, be sure to have him include protection afforded by the War Damage Corporation.

FIRE ASSOCIATION GROUP

Fire Association of Philadelphia
The Reliance Insurance Company
PHILADELPHIA



Lumbermen's Insurance Company
Philadelphia National Insurance Company
PENNSYLVANIA

SYMBOL OF SECURITY SINCE 1811

A Question that's Worth More Than \$64...

Questions like the one in the above Fire Association Group ad are commission-boosters. Put them to your clients. Get property owners to compare today's property values with the amount of insurance they set up before the war. Agents and insurance brokers who

operate a planned program for reviewing policies report that clients appreciate it... and expand their protection. Fire Association Group, Philadelphia, Pa. Branches in Atlanta, Chicago, Dallas, New York, San Francisco, Toronto.

of the National Board, who recently visited army and navy bases in Alaska.

North America Richmond Rally

All field men of the North America companies in Virginia, North Carolina and South Carolina assembled in Richmond for a two-day conference with Robert W. Forsyth, manager of the service office there. Production plans for 1943 were discussed. Reports showed that business of the office last year was substantially above that of the preceding year.

Ohio Speakers Elect Feb. 15

The Ohio Stock Fire Insurance Speakers Club will close five years of successful operation with the election of officers Feb. 15. The nominating committee will name two candidates for each office.

Shea Joins Pacific National

William F. Shea, formerly an examiner with the Oregon Rating Bureau, has been named special agent in Oregon by the Pacific National Fire. A. C. Myers has resigned as special agent in Seattle and a successor will be named shortly.

Polk with Royal-Liverpool

R. W. Polk has been appointed special agent of Royal-Liverpool in Arizona with headquarters in Phoenix. He formerly covered the same territory for other fire and casualty companies.

Inspection of Quincy, Ill.

The Illinois State Fire Prevention Association is holding a meeting and town inspection at Quincy Feb. 24.

FIELD NOTES

The Alamo Blue Goose will hold its annual dinner in San Antonio Feb. 15.

Don A. Morton has resigned as special agent at Tacoma of General of Seattle to go with the Jones & Mitchell agency at Spokane.

The Oklahoma Blue Goose will observe Washington's Birthday, Feb. 22, with a luncheon for the ladies.

Feb. 25 has been set for the inspection of Augusta by the Wichita members of the Kansas Fire Prevention Association. Clovis Cash and O. C. Farrar, Augusta agents, are in charge of local arrangements.

Gasoline rationing and regulations were discussed by the Sunflower Blue Goose puddle at Wichita. The Wichita Blue Goose Auxiliary held its luncheon-bridge Feb. 10.

Ross Moore, manager at Indianapolis for the Loyalty group, was feted at a surprise party given by the office organization Monday marking Mr. Moore's 25th anniversary with the organization.

The Seattle office of the New York Underwriters has been moved to 967 Dexter Horton building.

The Iowa Blue Goose will be shown several navy films at the luncheon Feb. 15.

At the Sioux Falls, S. D., Blue Goose Luncheon Club meeting Roy Wiley, spoke on civilian defense.

Loman Slated in Cincinnati

CINCINNATI — Harry J. Loman, dean American Institute of Property & Liability Underwriters, will conduct a conference in Cincinnati Feb. 17 to be attended by Walter L. Alexander, chairman educational committee, and Joseph Schweer, executive secretary Cincinnati Fire Underwriters Association, Dean Norman Auburn, University of Cincinnati, and Edward L. Adams, manager survey department Perkins & Geohagan agency who teaches the evening course in property insurance at the University of Cincinnati. Candidates to study for the C. P. C. U. degree will be sought.

Action on Michigan Merger Not Expected This Session

LANSING, MICH.—It appears that Governor Kelly will not exert pressure to consolidate the insurance department with five other bureaus at this legislative session.

It is reported that the governor is anxious to expedite the session and to eliminate any matters likely to prolong adjournment indefinitely. Both houses have decided to adjourn March 26, some two months earlier than usual.

A special session will be held either

next fall or early next year. It is understood the governor will insist that study be given his consolidation proposal in the meantime.

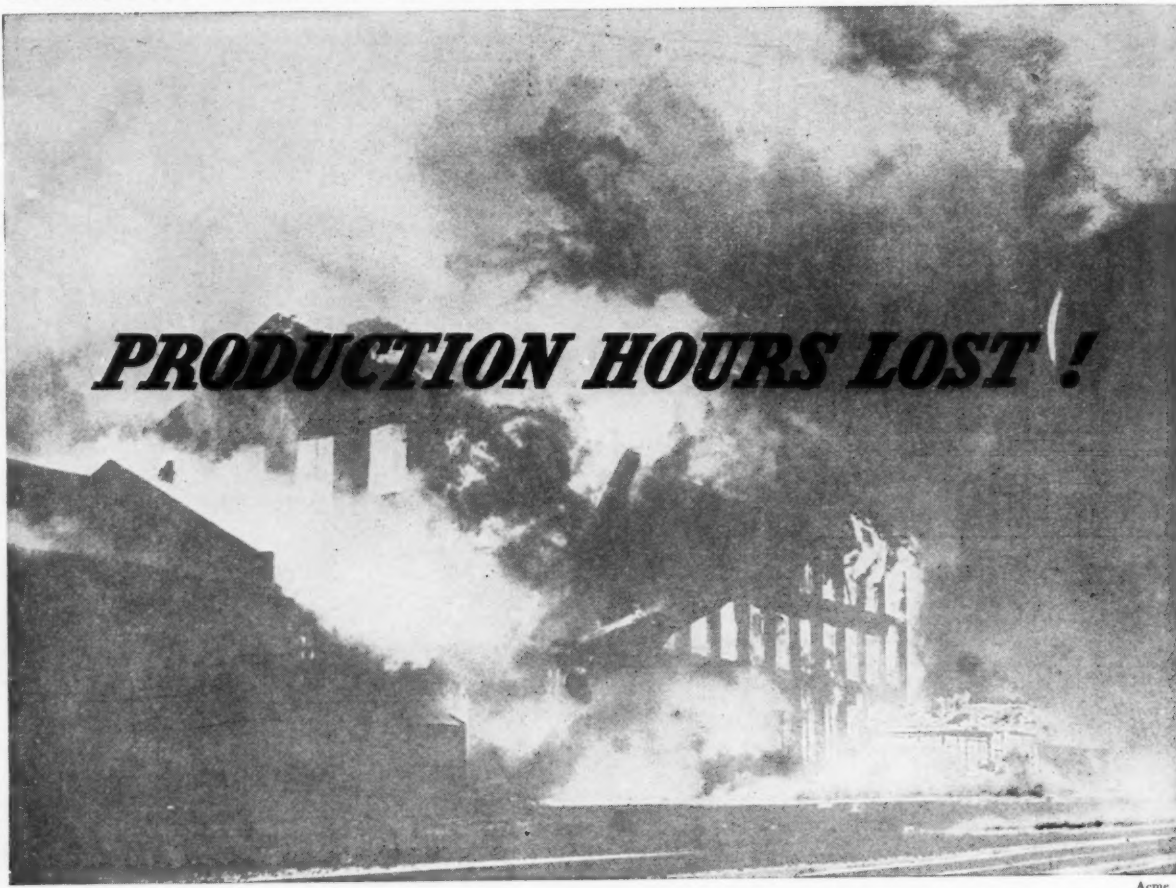
An administration bill has been passed authorizing the governor to appoint a "trouble shooter" to investigate operations of various state departments. It is considered possible this new official may be used to pave the way for merger proposals.

Only the "Unique Manual-Digest" fully covers all three phases of life insurance facts and figures. Over 400 companies, 1600 pages. \$5 from National Underwriter.

L. A. Williams to Leave Ind. Group

INDIANAPOLIS—L. A. Williams, who has been sales director for the past three years for Hoosier Farm Bureau Life and Farm Bureau Mutual of Indiana, is resigning as of April 1. Mr. Williams has had unusual success in developing organizations to sell life insurance in rural territories. For several years he was general manager of Country Life of Chicago and in his earlier years was with Equitable Life of Iowa.

EVERY DAY — MAKE FIRE PREVENTION YOUR PERSONAL WAR WORK



Could Your Advice Have Saved Them?

Perhaps that plant was making guns or munitions. Or was it food or clothing or tools or building materials?

It was an important part of your community—a source of payroll to many citizens—a source of tax income to the community government. Nationally, it was even more important—as a source of production hours in our all-out war effort.

Whether the factories in your town are your customers or prospects, you should make a sincere effort to see that their management is constantly warned against fire hazards... urged to take every possible precaution for fire prevention. There must be no interrup-

tion to this country's steady flow of production on any item with even an indirect bearing on the war effort.

Sometimes you can do the job alone... sometimes with the other agents in your community. To help you, there's excellent printed material available from the National Board of Fire Underwriters and from the National Fire Protection Association. And, you can always get expert advice from Agricultural and Empire State fieldmen who are eager to assist in such work.

You can make no greater contribution for Victory than to help save the nation's essential production hours!

Agricultural
Insurance Company
of Watertown, N.Y.



Empire State
Insurance Company
of Watertown, N.Y.

INSURANCE MEN IN ARMED SERVICES

Major Roy Brackman of the Ruehl-Brackman agency, Kirkwood, Mo., who entered the armed service several years ago, has now received his commission as a lieutenant colonel in the 14th coast artillery and been made the commanding officer of one of the forts in the north-west coast region.

Lieut. Roy C. Parks, Jr., who was an examiner in the Louis E. English general agency of Richmond, until entering the service, according to an Associated Press dispatch from New Guinea, was a member of the crew of a Liberator bomber that scored a square hit on a large enemy transport, a near miss on another ship and destroyed five of a group of Japanese Zeros. His father is treasurer of the Louis E. English office. The young man enlisted in the air corps in December, 1941.

David Peilen, son of Arnold Peilen of the Peilen & Peilen agency, St. Paul, has completed the officers training course at Ft. Benning, Ga., and has been assigned to Ft. McClellan, Ala., as a second lieutenant.

Charles Smith, Dallas, engineer of America Fore, who has been stationed at San Angelo, Tex., is now attending officers training camp for administrative work at Miami Beach.

Jack S. Raines, Dallas, special agent of the Firemen's group, is now in the army at San Angelo, Tex.

Gordon Friedrich of Sawtelle, McAllister & Cary agency, San Antonio, is attending officers training school at Miami Beach.

Robert G. Jonason, Austin, Tex., state agent of Royal-Liverpool, has been inducted into the army.

M. F. Hitzfeld of the Alberts & Hitzfeld agency, San Antonio, has been inducted into the army.

Luke Wilburn, a local agent at Union, S. C., a former member of the executive committee of the South Carolina Association of Insurance Agents, is now a captain in the army at Camp Wheeler, Ga.

U. S. Guarantee home office displays a service flag with 27 stars. Production Manager O. J. Perkins has two sons in the air corps. Grant A. Perkins, who was in the production department of the company, is now at Camp Campbell, Ky., and Richard A. Perkins, formerly in the marine department at Chubb & Son, is a pilot stationed at Meridian, Miss. The WAACs are represented in the service flag by Miss Ann McKay, who was in the filing department of U. S. Guarantee. Miss Lenore Murray, who was in the marine department of Chubb & Son, appropriately joined the WAVES. Chubb & Son have 134 members of their office force in the service.

The National Bureau of Casualty & Surety Underwriters has about 55 members of its force in the armed services, the latest being W. B. Taylor, who was assistant manager of the liability department and is now a lieutenant in the navy. The Association of Casualty & Surety Executives has lost about 30 members to the service.

John G. Schroeder, Jr., manager of the Philadelphia branch of Massachusetts Bonding, has been commissioned lieutenant (j.g.) in the navy aviation corps, and will leave for an indoctrination course at Dartmouth. His former associate, John H. Doherty, has been appointed acting manager of the Philadelphia office.

Don Manuel of the Dulaney, Johnston & Priest agency, Wichita, has reported to Jefferson Barracks, Mo., for army aviation cadet training. He is the third from the agency to enter army aviation.

Robert Cornfield, Virginia special agent of Indemnity of North America, who is now an ensign in the navy, has just completed a course of training at Princeton and is awaiting assignment.

Capt. John E. Walker, former staff adjuster with Sheffer-Cunningham of Wichita, has been promoted to major in the field artillery at Camp Swift, Tex.

Warden A. Davis, staff adjuster with Sheffer-Cunningham, Wichita, has been commissioned a second lieutenant following graduation in combat engineering at Ft. Belvoir, Va.

H. W. Bodinson, production engineer of Royal-Liverpool, Nashville, Tenn., has been commissioned a lieutenant

(j.g.) in the naval service and reported for training at Fort Schuyler, N. Y.

T. F. Hazen, Jr., local agent of Knoxville, Tenn., has been commissioned a captain in the army and reported at Ft. McClellan, Ala.

Raymond Nettleship, head of the Nettleship Company agency, Los Angeles, has been commissioned a lieutenant in the navy and will report to the aviation section.

Omer J. Kent of the Paxton-Kent Co. agency of Walla Walla, Wash., has joined the navy as lieutenant (j.g.). He has been assigned to the 12th Naval District, San Francisco.

Ralph H. Hall, formerly manager of D. F. Broderick, Inc. (Washington), which was sold recently to the Cooley Company, has been commissioned a captain in the army.

Harry Ihnen, camera underwriter of Chubb & Son, has been inducted into the army.

R. D. Duncan of the New York City office of Fidelity & Deposit has been commissioned a lieutenant (j.g.) in the naval reserve and will receive preliminary training at Ft. Schuyler, N. Y. He joined F. & D. shortly after graduating from Cornell in 1934, working as special



"150 U. S. Planes Missing!"

That headline will "stop" the majority of readers today. As a result many thousands of property owners will read the National Board's January magazine advertisement and get an appreciative slant on stock company service to a nation at war. Show this advertisement to your customers and emphasize the fact that through you they also get the same valuable service — in peace time.



HARTFORD FIRE INSURANCE COMPANY

HARTFORD

CONNECTICUT

agent first in Milwaukee and later in Detroit. He has been in New York since 1939.

Maj. Frederick A. Ulam, for ten years with London & Lancashire at Pittsburgh before he was recalled to active duty last year, has three sons in service, Thomas B, army air force; John, and Frederick, Jr., who will graduate from Annapolis shortly. Major Ulam was on hand the other day when Thomas graduated from the army air force technical school at Trux Field, Madison, Wis.

NEW YORK

GOOD COLLECTION SCHEME

Many local agents are finding the gasoline rationing procedure is of great benefit to them in making collections. They can use the telephone to good advantage especially where an assured is located outside the business district and it is difficult to reach by saying that it would require too much gasoline to make collection trips and therefore an appeal is made to the assured to send in a check without delay. Pressure can be used if necessary on chronic delinquents. Some agents find that their collection situation has greatly improved and they are using the telephone in this connection with great advantage to collections.

MORTGAGE CLAUSE MEMORANDUM

The New York Fire Insurance Exchange has notified all writing offices that the New York standard mortgage clause may not be modified in any material way without constituting a violation of the insurance law, though an insurer may agree to give a mortgagee notice of cancellation.

The exchange had under consideration a proposal which would have obligated the insurer not only to give notice of cancellation but not to change the policy in any way without at least 10 days prior written notice to the mortgagee. The memorandum also noted that it might be in order for companies to point out to mortgagees that it is not to their best interest to modify, change or delete the standard mortgage clause as approved by the New York department.

Loss \$2,000,000, No Insurance

Loss in the fire that destroyed the state insane asylum at Evansville, Ind., Tuesday is estimated conservatively at \$2,000,000. The state carried no insurance on the property.

British War Damage Claims

The "London Review" states that the War Damage Commission has so far received 1,100,000 claims from property owners in respect to repairs to damaged property. It has settled all but 100,000 at a total cost of £86,500,000. In the 11 months from May 1, 1941, to March 31, 1942, war damage payments amounted to £8,428,081 and including expenses the amount is £8,566,943. Premiums amounted to £5,080,925. This is a voluntary plan. There has been a certain amount of under-insurance and self-insurance.

Discuss Patrolmen's Grievances

NEW YORK — Representatives of companies insuring property within the jurisdiction of the New York City Fire Patrol will meet Feb. 17, to consider a proposed agreement with the New York Uniformed Fire Patrolmen's Association. The association has sought substantial pay increases and changes in working conditions. Working conditions for fire patrol employees and officers other than patrolmen will also be discussed.

Indiana House Passes Bill on Directors' Stock Holdings

INDIANAPOLIS — The Indiana house has passed a bill requiring directors of stock companies to own stock of aggregate par value not less than \$1,000 where the par value is \$5 or more a share, or stock of aggregate market value not less than \$5,000 if par is less than \$5 a share. The bill carries an emergency clause and if passed by the senate will be in force when signed by the governor.

Two measures designed to strengthen fire prevention laws have advanced to

second reading in the Indiana house. One bill gives the fire marshal control over all places of amusement and another gives him authority to close places violating fire insurance laws.

Governor Schricker has signed the bill which enables farmer's mutual fire companies to extend coverage to include insurance against loss of rents, use and occupancy, and extended coverage.

C.P.C.U. Chicago Class

About 20 having indicated interest in taking a course in Chicago under the auspices of Northwestern University to

prepare for examinations in June for the C.P.C.U. designation, a class will be organized in very short order according to Donald Wood, Jr., who is making the arrangements. Others who are interested may still enter the class by getting in touch with Mr. Wood, 1455 Insurance Exchange, Chicago.

There is to be a two hour meeting one evening a week for at least eight weeks at a downtown location.

The Life Insurance Sales Research Bureau is now occupying the entire second floor in the home office building of Northeastern of Hartford, having moved from its former location at 64 Pearl st.



Coffee and Insurance

COFFEE is rationed but Insurance is not, and probably never will be. And the more you spread this staunch protection, the more you serve the war effort. As a "merchandiser" of insurance, you protect the home front in a vital way, and you needn't have any fear of stock shortages on your "shelves" during the war. This is an advantage few businessmen enjoy. So make a real effort to sell more insurance than ever before, and be sure that the "brand" that you sell bears the name of a strong, reliable company . . . one of Fireman's Fund Group.

Fire . Automobile . Marine



Casualty . Fidelity . Surety

FIREMAN'S FUND GROUP
Fireman's Fund Insurance Company — Occidental Insurance Company
Home Fire & Marine Insurance Company
Fireman's Fund Indemnity Company — Occidental Indemnity Company

SAN FRANCISCO

NEW YORK

CHICAGO

BOSTON

ATLANTA

AS SEEN FROM CHICAGO

HOE INSURANCE MANAGER

Charles D. Hoe has been appointed manager of the insurance department of the Percy Wilson Mortgage Finance Corporation, Chicago. He was for 13 years assistant manager of the Cook county department of Fidelity & Guaranty Fire in Chicago and has been in insurance work for 20 years there. He was a fire underwriter in the Chicago office of the North British & Mercantile for a number of years.

EXTEND DEADLINE IN SUIT

The time for filing an answer in the suit against the Chicago Board by two non-member brokers, Clark Nolan and J. H. Slagle, has been extended from Feb. 8 to March 8.

In the meantime negotiations are going forward between the attorney for the brokers and the attorney for the companies and the Chicago Board looking to the making of an agreement which would form the basis of a consent decree and dismissal of the suit. There is much speculation as to what the effect might be if the brokers were given what they describe as their "freedom" and not be required to belong to the board in order to do business with board companies. At present the non-board fire insurance market in Chicago is quite limited, the main non-board stock companies being Northwestern National and General of Seattle. Atlantic Mutual of New York and one or two other mutual companies are doing a brokerage business in the city. However, if there were no restriction upon any licensed broker to do business with any fire insurance company, agency mutual and stock companies that are not now active in the city might be tempted to make a bid for brokerage business there. Also, some believe, if the entire fire insurance market were opened to any licensed broker a good many persons such as lawyers, flat janitors, representatives of the state, etc., that are in a position to control business might be tempted to get a broker's license and pick up some side money. The Insurance Brokers Association of Illinois is apparently alive to that danger, for they are eager to get an amendment to the licensing law to make the requirements more severe.

EFFECT OF RATIONING

Gasoline rationing is already taking its toll on businesses that are dependent on automobile trade such as tearooms and restaurants away from town, outside taverns and night clubs. Even in cities restaurants are being greatly affected because they cannot get help and also they feel the effect of gasoline rationing. For instance, the well known and popular "Spinning Wheel" of Hinsdale, Ill., has closed. The Old Dominion Tea Room of Evanston, one of the largest restaurants in that city, has closed. Other enterprises in the Chicago area have been similarly affected.

DEATH OF MRS. WETMORE

The death of Mrs. Edith Y. Wetmore at her home in Evanston, Ill., last Friday recalled the days when she was the librarian of the Insurance Library in the Insurance Exchange, Chicago. She was the widow of Charles O. Wetmore, who was connected with the First National Bank for many years, his brother, Frank O., being president. When the library took on serious proportions Miss Abbie Gantz became librarian. She married J. J. Coffey, Chicago agent. Miss Mabel Hammond, who is now connected with Glens Falls in that city, succeeded

Miss Gantz for a short time. Then followed Emma Quackenbush, daughter of S. H. Quackenbush, now assistant western manager of Crum & Forster. Miss Janet McFarland, now Mrs. Howard J. Burridge, wife of the vice-president and secretary of THE NATIONAL UNDERWRITER, followed. When Miss McFarland married Miss Jane Luce became librarian. She is the daughter of Fred B. Luce, now vice-president of the Providence Washington. Mrs. Wet-

more had been assisting during the two previous administrations and she was appointed librarian when Jane Luce left the service.

NEW HONOR FOR VERNOR

R. E. Vernor, manager of the fire prevention department of the Western Actuarial Bureau, was elected president of the Greater Chicago Safety Council at the annual dinner meeting. He has been administrative vice-president for the past two years.

Howard L. Leavitt, manager of the loss prevention department of Liberty Mutual, and Joseph E. Magnus, presi-

dent of James S. Kemper & Co., were elected to the safety council board.

MILLERS NATIONAL CHANGES

Leo Minner, special representative, has been placed in charge of the brokerage department of Millers National in Chicago and has been made responsible for business development in the downtown section of that city. He will continue to keep in touch with agencies in Kentucky, Tennessee, Arkansas and Texas, all of which are located in the larger cities. Mr. Minner has been engaged in inland marine and business promotion work at the head office as well

PROTECTING THE PRODUCTION of our WEAPONS of WAR



A.D.T. is joined with all American industry in all-out participation in the nation's victory program. With fire hazards multiplied and intensified by production speed-ups and concentrations of high values...with the sinister threat of sabotage added to all the hazards of normal times...effective protection against fire and intrusion is more than ever an essential element of adequate planning. And A.D.T. is proud that its protection services are doing their bit in safeguarding thousands of private and Governmental establishments throughout the country whose functions are vital to the war program.

The role of A.D.T. is to safeguard lives, property, the nation's resources of vital materials and the continuity of war production and to release manpower for productive work. Airplane plants; shipyards; munitions plants; piers and docks; tank and truck factories; warehouses; military hospitals; railroad properties; oil

refineries; ships; electric power, gas and water plants; machine and engine plants; food processing plants; foundries...are among the hundreds of industries under A.D.T. protection. In such establishments A.D.T. supplies the types of protection which most effectively meet the hazards. And, of vital importance in these times, A.D.T. provides complete service, from installation through continuous supervision, inspections and maintenance, thus relieving management of a major specialized problem.

Among the many A.D.T. Services that are doing their bit in protecting the production front are the following: Sprinkler Supervisory and Waterflow Alarm; Aero Automatic Fire Alarm; Invisible Ray Alarm; Intrusion Alarm; Holdup Alarm; Telapproach; Phonet-alarm; Patrol Supervision for Watchmen and Guards; Manual Fire Alarm. Write for descriptive booklets.

A. D. T. ELECTRIC PROTECTION SERVICES

Controlled Companies of AMERICAN DISTRICT TELEGRAPH CO. 155 Sixth Avenue, New York, N. Y.
CENTRAL STATION OFFICES IN ALL PRINCIPAL CITIES OF THE UNITED STATES



Electric Protection Services
AGAINST FIRE · BURGLARY · HOLDUP
A NATION-WIDE ORGANIZATION

SPECIAL AGENT

This man is 30 with six years experience as Special Agent in all casualty lines. Also has knowledge of fire. College graduate.

FERGASON PERSONNEL

Insurance Personnel Specialists
166 W. Jackson Chicago, Illinois Harrison 9040

as looking after agencies in those four states.

A. F. Campbell, who has been brokerage manager, is named as special representative for Cook county with responsibility for the north side of Chicago and Robert Stitt, as special agent, will operate on the south side.

About 100 Millers National agents and downtown brokers attended a luncheon and sales gathering the other day over which Mr. Minner presided. Mr. Minner analyzed the provisions of the new personal property floater and suggested the sales possibilities that it creates.

EXAMINERS MEET FEB. 18

The Association of Fire Insurance Examiners at its dinner meeting Feb. 18 at Klein's Restaurant will see Rockwood Sprinkler Co.'s color sound film, "Water Fog, Master of Fire." F. E. Toensmeier, sales manager of Rockwood, will speak. A. G. Sutter, America Fore, is president of the association.

Lyman M. Drake, Sr., of the Critchell-Miller Agency of Chicago is spending several weeks at Winter Park, Fla.

Auto, Wind Losses Down; Fire, Inland Marine Up

(CONTINUED FROM PAGE 5)

losses continued to be the most numerous. There has been a tendency on the part of motor carriers to increase the limits on their cargo policies because of the higher value carried. This increase in limits has caused some apprehension in underwriting circles although it is recognized as being necessary for the carriers to have higher limits. During 1942 there were also a number of substantial bailees' losses and the underwriting of that class is under scrutiny.

The broadening of the personal property floater form in states in which it is permitted to be written will undoubtedly

result in more claims under that type of contract. Some inland marine underwriters think there may be a decrease during the war in the so-called luxury lines because individuals are economizing on their insurance to meet increased taxes.

Western Adjustment's aircraft claims decreased from 700 in 1941 to 327 in 1942 due to the sharp curtailment in private flying. Consequently underwriters of aviation insurance have had to concentrate most of their efforts on operators with government pilot training programs. There were several hangar fires involving a substantial number of planes, most of which, however, were of the light training variety.

Larger Fire Losses Increase

Because of fire and inland marine losses increasing in frequency and size, the normal average for losses under \$1,000 did not change perceptibly and was again slightly under 90 percent. But losses over \$50,000 increased sharply, so that all told the dollar loss was probably in excess of previous years, particularly in the closing months of 1942.

These larger losses were more than usually varied. They were heaviest in defense plants and metal workers and in this category ten losses produced claims amounting to \$1,457,200. Manufacturers of food products sustained seven losses totaling \$1,267,600. Chain stores and their warehouses in eight locations burned with losses reaching almost \$1,327,000. Schools and public buildings were responsible for eight claims amounting to \$533,200. The grain business and allied industries furnished four losses aggregating \$1,395,000, one of these being the largest single loss of the year, \$1,100,000. Two paper stock fires accounted for \$152,000. Textile and leather workers experienced three losses which reached \$450,600. Five furniture and woodworking plants produced claims of \$710,800. Four fires in the tobacco industry ran nearly \$350,000. Railroad and public utilities developed five

losses for \$455,700. Hotels, clubs, etc., had three fires totaling \$288,500. Department stores and other mercantile risks produced nine losses in the sum of \$288,600.

Other Serious Losses

In addition there were serious losses in mercantile and manufacturing establishments, many of which were most unusual because of various war activities involved. The problems developed by these losses, particularly use and occupancy, rents, etc., were frequently unique. The exercise of courage, patience and common sense met most of the difficulties without undue friction, excessive cost to insurers, or litigation.

Such income losses have tended to run for longer periods of time, which is to be expected nowadays, Mr. Sellery said. But adjusters have operated on the theory that the contract could do no more for insured than the business could do for itself had there been no loss, and in the end this reasoning has generally prevailed.

Frequently in these losses insured has resumed operations by most amazing feats of ingenuity, and then taken months to prepare the claims. In fact the really troublesome cases came about in non-defense operations, such as theatres, summer resorts, etc., where insured

was in effect out of business prior to the loss and was merely endeavoring to make the best possible settlement.

Numerous questions of coverage brought about by the supposed conflict between the war damage contract and the extended coverage endorsement afforded interesting study until the force of actual losses largely cleared the air.

The first war year of 1942 was remarkable for its frequent changes and readjustments which kept the entire industry on the alert. The problems of the war reached into every corner of the business and required intimate and constant study beyond belief. The work has naturally piled up and many a senior has found his responsibilities materially increased. A few have failed, but most have been delighted at this new lease on life and are performing almost as if they were in their prime, determined to keep the insurance industry firmly established.

Adjusting organizations are facing critical conditions in 1943. Transportation and regulations affecting manpower are among the greatest perplexities. So far there has not been a shortage of adjusters, although the personnel of Western consists of 956 employees, including 484 adjusters, as compared with 1,132 employees a year ago, including 576 adjusters.

Highlights in Insurance History

In 1893 an electrical engineer conceived the idea of establishing a central service bureau for the official investigation of all materials affecting the public's safety against fire. The expansion and development of this idea led to the formation of Underwriters' Laboratories, Inc.



PROBABLY the largest privately operated laboratories in the world, this testing station, sponsored by the National Board of Fire Underwriters, has been constantly engaged in furnishing exact knowledge, based on extensive tests, re-

garding the "merits of appliances, devices, machines, and materials, in respect to life and fire hazards and accident prevention."

Through the widespread and highly technical work of Underwriters' Laboratories, countless essential appliances, scientifically tested for their safety against fire, are made available to the public. National Union and Birmingham agents are proud that the companies they represent are among those who support the activities of this vital organization.



National Union
and Birmingham
FIRE INSURANCE COMPANIES
PITTSBURGH · PENNSYLVANIA



The
CONSTITUTION
Reinsurance Corporation

R
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N
S
U
R
A
N
C
E

**Fire and
Allied Lines**

90 John Street, New York

JAMES Y. MILNE, President

New Forms, Changes in Effect in Ohio and Ind.

The Ohio Inspection Bureau has promulgated several rule and form changes, effective Feb. 8. Substantially the same changes have been made in Indiana, effective Feb. 1. The new dwelling form that was recently introduced into Illinois has been adopted in Ohio.

Murray Returns to Employers

The Employers group has appointed J. J. Murray assistant resident manager of the New England department. He will deal principally with production and agency relations. He started with Employers in 1919, but resigned in 1931 as production superintendent to engage in the agency business.

Rating Group Steering Committee

NEW YORK—New members of the New York Fire Insurance Rating Organization governing committee elected at the annual meeting are W. F. Dooley, Continental; H. V. Smith, Home; R. R. Martin, Atlas; Oswald Tregaskis, Sun, and F. W. Stein, Glens Falls.

Superintendent Scheufler of Missouri will be the guest of honor Feb. 24 at a luncheon meeting of the Insurance Board of St. Louis. Several hundred agents, brokers and others in insurance are expected to attend as a tribute to the superintendent, who is making a splendid record in his post.

D. S. C. to the Late C. W. Hughes

The Distinguished Service Cross has been awarded (posthumously) by the commander-in-chief, Southwest Pacific Area, to Charles W. Hughes, second lieutenant in the army air corps, for extraordinary heroism in action near Darwin, Australia, on Feb. 19, 1942. Lieutenant Hughes was pilot of one of a flight of 10 pursuit planes forced by unfavorable weather to turn back from a ferry flight from Darwin to Koepang, N. E. I. When the flight arrived in Darwin and before refueling could be effected information of the approach of an enemy formation was received. When the approaching enemy, consisting of approximately 60 high-level bombers, 36 fighters and 16 dive bombers were intercepted, Lieutenant Hughes, in spite of the tremendous odds, courageously attacked the enemy formation, inflicting heavy damage, and continued the attack until he lost his life when his airplane was shot down.

Hughes was employed in the Cincinnati office of the Ohio Audit Bureau for several years and was completing his legal education in a night school at the time he enlisted in the air corps early in 1941.

Map Milwaukee CPCU Course

MILWAUKEE—Following a meeting here with Dr. H. J. Loman, dean of the American Institute for Property & Liability Underwriters, plans were put under way for a refresher course at Marquette University to prepare for C. P. C. U. examinations. The course is to extend for a period of 15 weeks, starting Feb. 15, with weekly classes from 7:00

to 9:00 p. m. Albert Ewens of Ewens & Sons local agency is chairman of the local group.

Ohio Farmers Parley Is on Wartime Basis

The annual meeting of Ohio Farmers and Ohio Farmers Agents Association at Le Roy, O., was on a wartime basis Tuesday and Wednesday.

Tuesday afternoon President C. D. McVay of the company gave a welcoming talk and C. D. Thomas of Bellefontaine, O., president of the agents associ-

ation, made the response. Secretary J. C. Hiestand presented a review of 1942. That evening John A. Weber, a company director, performed as toastmaster and the speaker was Chas. M. Newcomb of Delaware, O.

The annual meeting of the company was held Wednesday morning.

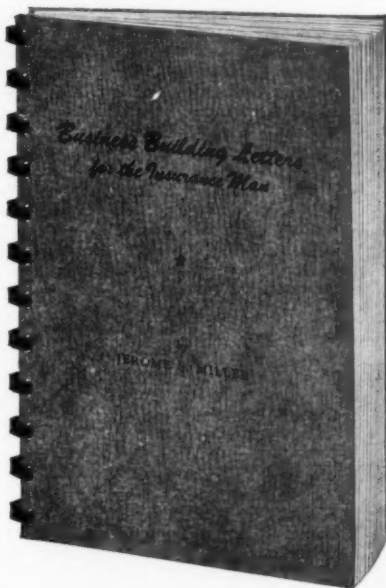
Kraus Acting Wis. Secretary

MILWAUKEE—The Wisconsin Compensation Rating & Inspection Bureau has appointed Edwin Kraus acting secretary during the absence of Maj. A. S. Kuenkler who is now on active duty

at the headquarters of the services of supply in Washington. Mr. Kraus has been a field test auditor.

George F. Haydon, Jr., special field representative on the Wisconsin Compensation Rating & Inspection Bureau and a son of the general manager, has been appointed to a position with the internal security division of the army in the Wisconsin and Michigan field.

A bill (H. B. 330) which would put into effect a valued policy law in Indiana has been introduced in the house.



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EDITORIAL COMMENT

Relief on Annual Statements

Although the insurance commissioners at the December meeting agreed to give the companies some measure of relief in connection with the filing of annual statements by granting an extension of time for submitting certain supplementary exhibits and simplifying certain others, yet it now begins to appear that additional allowances may be desirable or even necessary. Commissioner Harrington of Massachusetts is sponsoring a bill to authorize the department to extend for 60 days beyond March 1 the deadline for filing annual statements.

So far as the annual statement proper is concerned it would seem to be of no particular value to an insurance company to be permitted 60 days extra in some states and not in others because once the schedules are prepared by a company the requisite number of copies of the annual statement are made by the National Processing Company of New York and other organizations and all that remains is for the company to fill in the experience for each individual state by major lines of insurance. That information is usually available by the time that the statements are returned from the organization that makes the copies.

What is always bothersome to a company and what constitutes a particular burden this year in the light of personnel shortages, fewer typewriters and other equipment is the variety of so-called fillers that must be filed with the individual states. There is a difference between states in this regard, some of the states requiring very few statements supplemental to the annual statement blank and others making demands on the companies for detailed information that is difficult to derive and that is laborious to record. It is the necessity of taking care of these fillers that makes annual statement time so hectic in many offices.

Quality, Not Quantity, Counts

These are the days when the legislative gristmills are working overtime. Many legislators have the opinion that they are not accomplishing anything unless they introduce some sort of a bill or bills. This thought has encouraged the introduction of multiplicity of bills of all kinds, many of them insignificant and useless. They clog up the machinery. They slow down the working of the legislature. A wise legislator is concerned with seeing only statutes enacted that are beneficial to the public.

Governor Ford of Montana in his mes-

sage to the legislature of that state, spoke wisely when he said: "The saying may be trite, but it is worth saying again and again, that no legislative body may be judged by the volume of acts which it turns out during a session. It is entirely possible that a dozen laws, grounded in wisdom and equity and simple justice, may win greater acclaim from the people than hundreds of measures passed without due thought and with too little deliberation." It is unfortunate that more state executives do not strike the same note.

If the state departments would give the companies an additional 60 days for completing these fillers it would constitute a most welcome relief. Few companies, it seems, are so short handed that they would not be able to meet the March 1 deadline for the annual statement proper in view of the concessions that were approved by the commissioners' association last December in regard to certain schedules. As an illustration of what the companies are confronted with, the requirements in Kansas for fire companies might be mentioned. In addition to the annual statement it requires the filing of an official list, tax statement, fire marshal tax statement, firemen's relief tax statement by towns, tax and fee summary (Kansas), tax and fee summary (home state), reinsurance schedule, Schedule "T," Schedule "F," Kansas business experience, special schedule Kansas business, supplementary schedules No. 1 and 1A Kansas business, supplementary schedules Nos. 2 and 3, and underwriting experience by classes. In New York one of the laborious requirements is the required schedule setting forth premiums by counties and by towns and justifying these figures with the grand total for the state.

Of course a good many of these fillers are related to taxes and the states are naturally eager to get this information as soon as possible. Anyone visiting the statistical department of an insurance company just at this time and seeing the multiplicity of schedules to be completed in addition to the main annual statement, would be amazed and would wonder how the work could be turned out on time even under normal conditions. If the companies did not have the distraction of these fillers at this time and could concentrate on the main statements, we believe that there would be adequate relief this year.

PERSONAL SIDE OF THE BUSINESS

Lieut. William R. Berkeley, son of E. B. Berkeley, president of the Ohio Association of Insurance Agents, the Insurance Board of Cleveland, and head of the Cleveland Insurance Agency, was the subject of a story in a recent issue of "Yank," the army newspaper. Lieutenant Berkeley, a U. S. bomber pilot in India, recently was on a bombing mission over Rangoon when fire broke out in the nose of the B-24 bomber which he was piloting. The fire was extinguished but burned his parachute. Over the target all four motors suddenly went dead. They came on just in time. The crew dropped its load of bombs and headed back for base. The bomber had not gone far when the electrical system went dead, throwing the propellers out of operation. No. 3 engine began to run away, and then to splinter. Lieutenant Berkeley gave the order to bail out. There was a spare parachute for his use. The crew landed in rice fields and swamps and made their way to a nearby village hotel. There they waited eight days for travel orders, and then had to pay their own hotel bills.

W. D. O'Gorman, president of the New Jersey Association of Insurance Agents and vice-president of the O'Gorman & Young agency of Newark, has been ill with pneumonia in a hospital for several weeks. It was necessary to resort to oxygen tents and blood transfusion, but he is slightly better. It will be some time before he will be back at his desk.

Arthur G. Smith, chief engineer of Travelers Fire, has celebrated his 30th anniversary with the organization. Mr. Smith, a graduate of Rensselaer Polytechnic Institute, joined Travelers as inspector. He is chairman of the National Fire Protection Association committee on first aid fire appliances and former chairman of the Hartford Chamber of Commerce fire prevention committee.

H. O. Price, special agent for Gould & Gould, Seattle, announces the arrival of John Reynolds Price.

William E. Rae of Havre, Mont., state agent of Royal-Liverpool, has been named a member of the Montana board of equalization by Governor Ford.

T. A. Pettigrew, president of the Underwriters Adjusting of Chicago, who has been ill since July and is recuperating at Miami, Fla., is now on the road to recovery. He has had a long siege, his malady starting from being allergic to Juniper trees in the yard of his home at River Forest, Ill.

The Topeka, Kan., "Daily Capital" the other day had a feature story about W. B. Gasche, president of Alliance Cooperative of that city, who reached his 84th birthday last week. He is found at his office every day very much interested in the company. He reaches his desk at 8 o'clock and works on until 5. He is not a 40-hour a week man. He is the only man surviving of the 20 who organized the Alliance. He was elected president for the 44th time this year, having served since 1900. The Alliance is 47 years old.

Mr. Gasche was born Feb. 3, 1859, in a log house built by his father in Fulton county, O. He was educated in the

"school of hard knocks." When he was 19 years of age he married, his wife dying in Topeka six years ago. In 1881 the Gasches moved to Nebraska to stake a claim. In 1886 they headed for Kansas where they settled on 80 acres, 18 miles south of Emporia.

In 1900 at the instigation of Mr. Gasche the Kansas Association of Mutual Insurance Companies was organized and for 25 consecutive years he served as president. He has been president of the National Association of Mutual Insurance Companies, serving two terms. He is the grand old man of the mutual executives.

J. V. Fothergill, vice-president of London & Lancashire Indemnity and agency superintendent and assistant secretary of the London & Lancashire group of fire companies, has completed 50 years of continuous service. He was born in Birkenhead, Eng., in 1871 and went to Manitoba, Can., in 1890. After trying his hand as a wheat farmer for one year he went to New York with the Lancashire, and after two years joined the staff of London & Lancashire at its New York office. He was promoted to a field position in New England in 1900. He was called back to the office in 1903 as agency superintendent in charge of underwriting in the northern department. When the companies entered the automobile insurance field in 1911 he was placed in charge of that department, a position he still retains. In 1926 he was appointed vice-president of London & Lancashire Indemnity to supervise its automobile business together with that of the fire companies, including their inland marine business. His fellow officers honored him with a dinner, and appropriate presentations were made to him in celebration of the event.

F. F. Ludolph, veteran secretary of the San Antonio Insurance Exchange, has entered the Nix Hospital for an operation.

Homer H. Lipps of Lewiston, Ida., who resigned recently as state director, has left his agency in the care of his staff, while he is with the Elliott Construction Co. at Whitehorse in the Yukon.

DEATHS

P. J. V. McKian, Veteran Insurance News Man, Dies

Palisai Joseph Victor McKian, who since 1925 had been with the Western Actuarial Bureau as publicity man in the fire prevention department and for about 25 years prior to that engaged in insurance journalism, died at his home in Chicago Sunday evening at the age of 77. In more recent times he was known to insurance men as wielder of the Illinois Blue Goose, a position which he held for many years until several months ago. He had the interests of the organization much at heart and was a familiar figure at all Blue Goose gatherings. In 1930 he was a candidate for a grand nest position.

With the actuarial bureau, Mr. Mc-

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"For Hevven's Sake, Marge, if that necklace is so valuable, insure it, — instead of hiring that gorilla to follow you around!"

Kian looked after the publicity in connection with town inspection by the fire prevention associations in the various states and he did get an immense amount of publicity in the weekly and daily papers throughout the territory.

Mr. McKian was born at Perth, Canada, on Orange Day, July 12, 1865, and hence was approaching his 78th birthday.

In 1935, Mr. McKian underwent an operation and the day after the operation he fell out of bed and suffered a broken hip. His friends feared that he would not recover but to everyone's great surprise he got back on his feet and was in active operation until April, 1942, when he was hit by a truck and suffered several broken ribs. But again he made a surprising recovery and insisted on returning to the office last September. He kept on the job, although his condition was very frail, until about three weeks ago when he was stricken with his final illness.

Mr. McKian was at one time employed on the Evanston, Ill., "Index." He first got into insurance journalism in 1899, with the old "Argus" when C. E. Rollins, Sr., was the publisher. He remained until 1909. Then having saved some money he went to Oklahoma City and made an investment in a wholesale grocery business but lost that investment and returned to Chicago and was appointed as the first insurance editor of the Chicago "Journal of Commerce." Then he became assistant to the late T. R. Weddell, who was associate editor and Chicago news representative of the "Insurance Field" and editor of the "Insurance Post." Mr. McKian also contributed a weekly string of insurance news to the old Chicago "Evening Post," commencing in 1927. He was for a time insurance editor of the old Chicago "Herald-Examiner." Before coming to this country he was engaged in private detective work in Canada.

John Daniel McKian, his son, is a teacher at Loyola University of Chicago.

Clinton A. Prescott, veteran special agent of American, died at his home in Shreveport, La., from a sudden heart attack. Mr. Prescott had been with American 27 years in Arkansas, Mississippi and Louisiana. He was one of the best known and most popular field men of the south. He was a charter member of

the Louisiana-Mississippi Blue Goose, and at the time of his death was a director of the Louisiana Rating & Fire Prevention Bureau. McIntyre and Leslie Prescott of the H. H. Prescott agency in Shreveport are nephews.

Mrs. Marie A. Fuessel, mother of Fred G. Fuessel, Jr., state agent of Globe & Rutgers in Missouri, died in St. Louis.

William J. Beverly, 42, special agent in western Pennsylvania and West Virginia for Royal Exchange, died at his home in Mt. Lebanon, Pa. He left the New England Fire Insurance Rating Association to join the Royal Exchange in 1935, serving in the company's New York office for two years before going to the Pittsburgh territory. For a number of years he had been associated with audit bureaus and rating organizations in St. Louis and Boston.

J. Weston Essington, for many years a prominent agent and real estate operator at Streator, Ill., died there. The agency was founded in 1904. Mr. Essington was a brother of former state Senator Thurlow Essington.

Joseph A. Jennings, 83, died in Los Angeles. He formerly resided in Salt Lake City, where he was born, and moved to southern California about ten years ago because of ill health. For 25 years he was secretary-treasurer of the Jennings Insurance Agency of Salt Lake City.

Paul C. Bates, 68, president of the pioneer general agency firm of Bates, Lively & Pearson, Portland, Ore., which has represented the Aetna Life companies for 40 years, died following a months illness. He went to Portland in 1896 as field supervisor of Pennsylvania Fire.

The Underwriters Salvage Corps of Cincinnati has not yet selected a successor for Assistant Secretary Harry Cohen, who died recently. He was connected with the corps 48 years, starting when he was only 14 years of age.

Mr. Cohen was well known by the insurance agencies in Cincinnati. He collected fire marks and insurance company plaques. His correspondence was addressed in spencerian script embellished with many flourishes. The assessment bills he sent to the insurance

companies were always addressed in this distinctive handwriting.

Mr. Cohen is survived by his widow and a daughter, Mrs. Ruth Murphy, who until recently was connected with the W. S. Hukill agency in Cincinnati.

Samuel J. Clum, 48, New Philadelphia, O., local agent, died there.

Van Wagenen General Agency

G. B. van Wagenen Co., Minnesota general agency for Mercantile, Albany. State of Pennsylvania, has moved to new and larger quarters in 1200 Northwestern Bank building, Minneapolis.

Dallas Agents Gathering

The Dallas Insurance Agents Association at a meeting Tuesday presided over by President Felix Harris discussed "Why Belong to an Association."

Archie B. Millard has been elected president of the Grand Rapids Safety Council. He succeeds E. H. Brink of Preferred Automobile.

Conventions

Feb. 13-18, National Association of Insurance Agents, board of directors, Tulsa, Okla., Mayo Hotel.

Feb. 16, Oklahoma agents annual meeting, Tulsa, Hotel Mayo.

Feb. 24-25, Minnesota Agents, mid-year meeting, St. Paul, St. Paul Hotel.

March 3-4, Fire Underwriters Association of the Pacific, San Francisco, Palace Hotel.

April 22-23, Insurance Accounting & Statistical Association, Chicago, Edgewater Beach Hotel.

May 6, Alabama agents annual meeting, Birmingham, Tutweiler Hotel.

May 10, National Fire Protection Association, Chicago, Palmer House.

June 3-4, Health & Accident Underwriters Conference, Chicago, Edgewater Beach Hotel.

June 6-8, National Association of Insurance Commissioners, Boston, Statler Hotel.

June 7-8, National Association of Accident & Health Underwriters, Pittsburgh, William Penn Hotel.

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THIS potent weapon, which was used by our enemies with such devastating effect earlier in the war, is now proving to be a complete boomerang.

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The NATIONAL UNDERWRITER

February 11, 1943

CASUALTY AND SURETY SECTION

Page Nineteen

Class 4, 5 B. 1. Truck Rates Are Cut 20 Percent

25% Increase on Specified Car Rates for Buses, Cabs

A reduction of 20 percent in the bodily injury liability rates for commercial cars in classes 4-5, including hired cars, non-ownership classes 1 and 2, and garage dealers and repair shops, service stations and storage garages was decided upon last Thursday at the joint meeting of committees of the National Bureau of Casualty & Surety Underwriters and Mutual Casualty Insurance Rating Bureau. The reduction went into effect Wednesday of this week in all states except Massachusetts, Indiana, Texas and Washington.

For the garage risks, the reduction applies only to the payroll rate and not to the minimum premium. There has been no change in rates for property damage insurance.

At the same time an increase of 25 percent was put into effect in the specified car bodily injury rates for public livery, taxicabs and common carrier buses. No change was filed in the earnings or mileage rates for these classifications or in the property damage rates. Moreover no increase has been filed for public liveries and taxicabs for those territories where rate increases were announced since Dec. 21, 1942, and for Illinois where rate increases are pending.

Suspension Period 30 Days

Also there is a change in the suspension rule reducing the requirement regarding the minimum period of suspension from 60 to 30 consecutive days.

The two rating bureaus stated that committees have been studying the effect of war conditions on commercial automobiles, garages and public automobiles. Although no actual experience will be available for some time it is generally recognized since the regulations of the Office of Defense Transportation for conservation of gasoline and motor equipment have gone into effect there has been a decided reduction in the amount of operation of automobiles by class 4 and 5 risks and garages. There have been several unfavorable factors such as the increasing difficulty of maintaining standards for chauffeurs and for maintenance of equipment as well as the dimout and blackout regulations.

In the public passenger field, the amount of use of public livery automobiles, taxis and buses is steadily increasing. The crowding of passengers is becoming more and more of a hazard. The specified car premiums for these classes do not automatically adjust themselves to changes in activity.

The change in the suspension rule will give more favorable treatment to those insured who may wish to suspend their insurance for a period of as little as 30 days.

The rate revision was approved in

Ill. Judges Boost Corporate Suretyship

Members of Judicial Association Advocate Restrictions on Personal Sureties

Members of the Illinois County & Probate Judges Association, at the period during their convention in Chicago devoted to an open forum on corporate vs. personal suretyship, expressed strong sentiments in favor of court rules and legislation to restrict and discourage personal suretyship. Probate Judge Edgar Thoma of DuPage county led the discussion. Many members voiced their views and all of them favored restrictions on personal suretyship.

Favor Rule 16

Judge Thoma suggested that the rules committee consider adoption of what is known as rule 16 of the Cook county probate court which calls for verified schedules on prescribed forms to be completed by personal sureties. Personal sureties are put to much trouble to comply with those requirements and hence about 99 percent of the bonds in Cook county are given by corporate sureties. Henry S. Moser, Chicago attorney, in addressing the judges' association two years ago, recommended that rule 16 be adopted throughout the state. There was also sentiment expressed in favor of legislation that makes a commitment of a personal surety a lien on his real estate.

One of the members voiced the opinion that personal sureties would welcome restrictions, as it would relieve them of embarrassment when asked by friends to give bond. Another member said that his court has the utmost difficulty in getting personal sureties to take the necessary action to get estates closed whereas corporate sureties expedite these matters.

Employers Liability Has New Boiler Manual

Employers Liability, which discontinued subscribing to the service of the boiler and machinery conference at the same time Hartford Steam Boiler withdrew from the conference, has now brought out a new boiler and machinery manual of its own which corresponds very closely to that of Hartford Steam Boiler. The main features of that manual were outlined in THE NATIONAL UNDERWRITER last week.

Illinois Monday with the exception of the 25 percent increase in bodily injury rates on public livery and taxicabs. The Illinois department had approved a 15 percent increase, (10 percent in East St. Louis) for these classifications a week ago, and a rate increase of approximately 10 percent was granted last year to Citizens Casualty and Manhattan Mutual Auto Casualty that write 80 percent of the independent taxi business in the state. The 25 percent increase as promulgated by the bureau does apply to common carrier buses in Illinois.

B. W. Jacobs of the Illinois department addressed the meeting of the Independent Taxi-Cab Operators Association this week in St. Louis, telling the group of the rate changes.

Eastern Mutual Casualty Levy on Policyholders O. K.

Whenever a mutual company or a reciprocal fails and a policyholder assessment is levied lawyers always turn up with every legal theory they can spin to block the levy. An illustration of that fact is found in the decision of the Maryland court of appeals upholding the assessment against policyholders of the defunct Eastern Mutual Casualty.

The action to nullify the assessment was brought by Charlton Brothers Transportation Company. Eastern Mutual was formed in 1934 under a then existing statute providing for creation of joint mutual and stock company. That statute was obliterated in 1939.

Charlton Brothers argued that since Eastern Mutual possessed some of the characteristics of a stock company, an assessment could not be levied on policyholders. However, the court stated this is not a case where a company is simply called a mutual institution without any mutual characteristics. The policyholders, it is true, did not have absolute control, but they had a vote proportionate to that of the stockholders. Eastern Mutual is a combined mutual and stock corporation, the court decided, and subject to all of the liabilities on stock and policyholders incident to combined stock and mutual companies.

Harry O. Levin and C. M. Goldstein were the lawyers for Charlton Brothers. In addition to the attorney general's office, the receiver was represented by Edgar Allan Poe, Ralph Robinson, and Seymour O'Brien.

Accident Deaths in '42 Were 8,500 Fewer Than in '41

The National Safety Council estimates that 93,000 persons were killed in accidents in the United States last year and 9,300,000 injured. That was a saving of 8,500 lives but the improvement was due entirely to a drop of 12,200 in traffic deaths. The industrial accident toll went up 3 percent.

A total of 47,500 workers were killed by accidents—18,500 on the job and 29,000 off the job. The number of home accidents is estimated at exactly the same for both years—30,500, deaths in occupational accidents were estimated at 18,500 in 1942, an increase of 500, and deaths due to public accidents other than motor vehicle 15,500, an increase of 500.

The accident death rate was 69.4 per 100,000 of the population and that was the lowest rate since 1922.

The estimated economic loss from accidents last year is \$3,700,000,000.

Children less than five years old were the only age group to show an increase in accidental deaths, the increase being 2 percent. The number of deaths in catastrophes (where the toll is at least five lives) totaled 2,600, which was more than 2½ times as many as in 1941. The major disaster was the Boston night club fire. A coal mine explosion in West Virginia took 56 lives and another in Colorado 34 lives. Fifty-four were killed in an ordnance plant explosion in Illinois. Accidental poisoning

English Insurance Reaction Given on Beveridge Report

Plan Called Ingenious But No Cure for Existing Social Evils

The "Review" of London in its edition of Jan. 8 makes some interesting observations on the Beveridge report and also includes a summary of the preliminary observations on the report by the Industrial Life Offices.

The "Review" itself asserts that the Beveridge plan is ingenious but it is in itself no cure for existing social evils, merely an ideal to be aimed at. By greater flexibility of service, by merit rating, minimum rates and standard comprehensive policies, insurance companies can demonstrate that there is not the urgent need for that drastic extension of social insurance services desired by reformers.

The Beveridge plan, according to the "Review," is only one of a whole series of plans for post war reconstruction and it aims at nothing more than the shortening of the swing of the pendulum. Freedom from want means in the final analysis maintenance of purchasing power for primary necessities such as food. If that could be achieved on a world wide basis it might be possible to stabilize agricultural prices and thus in turn preserve the purchasing power of the farmer which would in turn create a stable market for clothes, etc.

Adjusting Tax to the Day

Beveridge suggests that contributions might be reduced during slumps, thus letting the social insurance funds run into debt for a time while contributions could be increased in booms. That is in keeping with Sir William's axiom that: "The state, with its power of compelling successive generations . . . to become insured and its power of taxation, is not under the necessity of accumulating reserves for actuarial risks and has not, in fact, adopted this method in the past." The drawback, according to the "Review," is that unless unemployment can be cured there must come a moment when benefits have to be curtailed or contributions increased.

If unemployment can be cured or at least reduced to manageable proportions the plan will work but may then be largely redundant since with an increased standard of living, the British people by voluntary insurance could obtain the protection they wanted far better than under a rigid compulsory state insurance system.

Unification of unemployment, sickness and old age insurance will probably be accepted as desirable by most people and

(CONTINUED ON PAGE 35)

of food in an Oregon institution killed about 50 persons.

Car Registration in New York Off Sharply This Year

NEW YORK—Governor Dewey of New York in his new budget has appropriated \$650,000 for the enforcement of the financial responsibility law. This is considered more than adequate in view of the fact that \$800,000 was appropriated for the present fiscal year and the last registration figures of automobiles in New York state showed that 40 percent of the cars have been taken off the roads.

Despite a considerable rush by motorists to make the deadline for 1943 automobile license plates by midnight Feb. 1, motor vehicle registration was off sharply for the period Dec. 31-Feb. 1, when most of the licenses are purchased. For the New York metropolitan area 211,639 passenger car licenses were issued in that period, a decrease of 281,788 from 1942. Commercial car registrations showed a decline of 8,971 to 81,974.

The tremendous decline in passenger car registrations is due to the ban on pleasure driving in the eastern states in addition to the gasoline and rubber restrictions. Many motorists have put their cars up for the winter and will undoubtedly be influenced as to whether they will license them by the future policy in regard to pleasure driving.

The decline in New York City registrations will undoubtedly be heavier than in other areas because of the good transportation facilities here.

Enthusiastic Salesman and Whimsical Buyer Produce Deficient Insurance Program

CINCINNATI—Most insurance programs are badly put together, chiefly because they are commonly built on the enthusiasm of salesmen, or the whimsey of the buyer, without regard to the necessity of first developing a plan. Many people insure against relatively unimportant kinds of loss while entirely overlooking potential sources of financial disaster. This comment was made by Edward L. Adams, manager survey department of the Perkins & Geoghegan agency when speaking to the Cincinnati Association of Credit Men.

No two individuals have the same insurance requirements; no two families have the same insurance problems; no two business concerns face the same risk in the same way. Hence, he said, insurance must be designed to fit each individual, each family, and each business. It must be purchased on a planned basis, not a haphazard manner. This requires specialized skill, knowledge, and experience.

Mr. Adams cited actual illustrations of insurance that didn't fit. One survey showed, because of non-compliance with certain policy conditions only 25 percent of the loss caused by sprinkler systems could be collected. A products liability policy did not cover suits based on consumption of free samples, a principal means of building good will, and the firm's officers were not protected by the company's liability policy.

A safe burglary policy was carried which covered only when the safe was locked. The safe was locked only at night and no money was kept in it then but large amounts of money were kept in the safe in daytime. The contents of a retail store were insured against fire in an amount 67 percent greater than the total value of the contents insured.

Insurance Talk to Bank Auditors

At a dinner-meeting of the New Jersey Conference of Bank Auditors & Comptrollers in Newark, Feb. 11, Cooper D. Winn, Jr., manager of the insurance department of the Guaranty Trust Co., New York, will discuss "Insurance Coverage by Banks."

Maryland Casualty Pays Bet Lost by Salesman

Maryland Casualty recently lost \$1,000 on a bet on the outcome of the Boston College - Holy Cross football game. The company didn't make the bet. It was made by a salesman covered by a Maryland Casualty fidelity bond.

Acting on a sudden hunch, the salesman, having collected \$1,100 from a customer, proceeded to bet \$1,000 on the game, which, according to the experts, was a "sure" thing. He lost, and when the shortage was discovered, Maryland Casualty paid under his bond.

Air Freezing Order Puts Damper on Insurance Activity

Aviation insurance activity in the private plane field came almost to a halt when the CAA issued its ruling that all aircraft of under 500 horsepower cannot be bought, sold or leased. There is always a large traffic in used planes since the owners are ambitious to get a larger plane or a different model or to make a change for some other purpose and these sales are accompanied by a change in insurance arrangements. It is understood that the freezing order was a preliminary step in the setting up of a new war training program in aviation.

A few days after the freezing order was issued, there was a ruling that airplane schools may still rent planes to students for solo practice as well as use equipment for dual instruction. However, the rental of planes for cross country flight is prohibited.

Under the new war training program the plan is to have Defense Plant Corporation purchase the planes and then lease them to contractors. A new contract is being prepared to cover insurance requirements for such planes. The aircraft branch of the War Production Board states that there will be a change in the insurance contract but that it cannot be worked out until the pricing formula for light planes, now frozen, has been completed. Hull cover on training planes has produced a substantial volume of premiums heretofore.

Shift Automobile Loss Adjusters to Other Activities

Some companies are utilizing adjusters and investigators that have been kept busy on automobile claims in other lines of loss work. Owing to the greatly decreased number of automobile accidents there has not been so much work for the people employed in that line. However, workmen's compensation claims numerically have increased and there is shown some upward turn in other lines. Companies are not letting out well qualified men and hence they are finding a place for these loss adjusters and investigators especially in workmen's compensation.

Chicago Adjuster Indicted

T. G. Johnson, an outside adjuster of American Automobile in Chicago, and Hilary Rodenkirch, a bank teller and his brother-in-law, were indicted by the grand jury at Chicago on a charge of conspiracy to defraud the insurance company. About \$10,000 is said to be involved. According to the state's attorney, Johnson settled many automobile personal injury cases for small sums of cash, and executed loss drafts for larger amounts which were cashed with the aid of Rodenkirch. Johnson held his post from July, 1938; to May, 1942.

Pink Urges Hospital Plans Not to Buck Social Security

Non-profit hospital plans should not take an active stand against government proposals to extend the social security act to cover hospitalization, Louis H. Pink, president Associated Hospital Service of New York, advised at the conference of the Blue Cross Plans in Chicago. Mr. Pink indicated that such opposition would not be sufficient to block a measure yet at the same time it would tend to deprive them of an opportunity to have a voice in shaping a satisfactory plan. He pointed out the advantages of local institutions, working cooperatively on a national basis, as contrasted with highly centralized schemes for social security operated by the government.

No Concerted Stand

The various heads of the hospital plans present recognized that any government plan providing hospital benefits will make it difficult for them to continue operation and although they are hostile to the proposed extension of the social security act it is not likely they will make any concerted stand against it. Some feel that their best bet is to make every effort to expand their operations so as to have a good record to point to if and when the social security proposal reaches the serious stage. Others are more pugnacious in their attitude but they are wary of issuing any public pronouncements.

Consider Surgical Benefits

Some consideration was given the adoption of a national surgical benefits plan. Such benefits are now provided by some plans in six or seven cities. A proposal for a national indemnity plan for surgical benefits was presented by John A. McNamara, director Cleveland Hospital Service Association. He believes that it is impractical to set up a cost allowance plan as it is difficult to secure the cooperation of doctors. The lack of surgical benefits is now a hindrance in competition with group hospitalization.

The Blue Cross plans now have a total membership of 10,458,899 and it is estimated that \$50,000,000 in hospital bills were paid in 1942. More than 10 percent or approximately 108 out of every 1,000 of Blue Cross participants were hospitalized in 1942.

Los Angeles A.&H. Producers Group Hears W. G. Gastil

LOS ANGELES—Walter G. Gastil, manager of Connecticut General Life, addressed the Accident & Health Producers Association of Los Angeles at its first regular meeting.

Mr. Gastil approved the objectives of the association as set forth in the by-laws adopted at this meeting, and said one of the biggest jobs of the accident and health salesman is to build up confidence on the part of the public in accident and health insurance and to have the public accept that coverage. He declared this can be brought about by the accident and health salesman selling service to the policyholder rather than selling business on the basis of premiums. He said accident and health insurance must justify itself and when a problem of coverage comes up the salesman, if he would justify his actions, must offer the prospect a tailor-made solution rather than just selling him so many dollars of benefits.

He told the producers they must be ethical, and not seek just to rewrite some other policy, but should get new business. They should notify the company of anything that would help to have the policy issued on a proper basis. They should see that all questions on the application are answered fully and completely.

Bond Producers' Group Outlines Its Objectives

The National Association of Surety Bond Producers, which perfected its organization in New Orleans recently, has issued the resolutions it adopted there and is mailing copies to home offices of surety companies and others interested. The resolutions constitute an expression of the group's reasons for organizing and of its objectives.

The association objects to placing a larger share of the reduction in surety rates on agents than is borne by the companies. It objects to the Towner Rating Bureau promulgating rates that alter contracts between agents and companies. It also took occasion to condemn the practice of many companies and some general agents in appointing as agents contractors, bookkeepers and other individuals incompetent to handle surety business. R. W. Thompson of Dallas is president and H. Phelps Smith of Nashville secretary-treasurer of the association.

Trend Eliminates Profits

That the producers bear a larger share of rate reduction than do the companies constitutes a trend that "is eliminating completely any opportunity, not only for profit, but for actual expense" of agency operation. The surety producer's contacts, knowledge, years of experience, and ability to bring together groups of contractors and men of financial means has facilitated erection of war projects. The economic value of this work and ability is far more important to national defense than the premium dollar of surety involved, the producers assert, and the competition thus generated saves the government a great deal of money. Some downward revision on this business was justified, but the surety companies should bear the same percentage of reduction as agents, since the improved experience on the business resulted as much from agents as companies' efforts.

Agents want the opportunity to discuss revisions when made. The producers deplore the manner in which the National Association of Casualty & Surety Underwriters and the Association of Casualty & Surety Executives arrived at the basis on which the business could be written, with no consideration to the producers, "who have far more knowledge of same than some of the executives of the companies involved."

Companies Didn't "Save" Business

Statements of certain company executives that they "saved this business" for the agents are erroneous. "In our opinion," the producers state, "our mutual interests would be best served by eliminating completely the writing of surety bonds on this type of business if they must continue to be written on the basis which is now in force."

The association objects to the manner and method of operation of the Towner Rating Bureau, "owned and controlled by certain large interests" writing bond business. It is "operated without considering the proper interest of everyone." It has no right to change any written contract between agent and his company by issuing a bulletin or edict. Its sole duty should be arriving at a proper rate, and the rate should be based on the scale of commissions specified in the contracts of various agents.

Because expenses, including agency overhead, have increased, it is unreasonable to expect agents to stand for so unreasonable a decrease on this type of business. Consequently the association "insists that the companies immediately establish an adequate commission."

Clyde E. Dalrymple, general agent of Preferred Accident at Milwaukee, and Glenn R. Dougherty, counsel for Preferred in Milwaukee, are in New York this week visiting the home office.

'Status Quo' Stand in A. & H. Criticized as Unrealistic

M. D. Griffith Calls on Business to Show Progressive Leadership

NEW YORK—Taking issue with people whose concept of private enterprise is maintaining a "status quo" and the preservation of those things which American enterprise in the past has created, M. D. Griffith, executive vice-president of the New York Board of Trade, called upon the accident and health business for constructive leadership in connection with government proposals for extension of social insurance into the disability field.

Private enterprise, he said in an address before the New York City Accident & Health Club, is not something to be tucked away in a safe but is a powerhouse, a machine-shop, a thing that is moving and progressing.

Responsibility Is to Make It Work

Pointing out that there is a greater responsibility upon business to make private enterprise function than in attempting to protect it from assault, Mr. Griffith said, "I do not believe we should spend all our time telling public officials not to destroy American enterprise but instead we should be spending a large part of that time determining among ourselves how are we going to make private enterprise work in the new conditions that confront us."

Accident and health people have had the "ball tossed to them" and they can't just stand there and hold it, he asserted.

Referring to the American counterpart of the Beveridge plan, he asked, "Do you honestly believe that this problem is going to be solved by an attempt to defeat legislation that surely will be introduced to put this plan into effect?" He asked his listeners whether they really believed that the problem can be answered by asking, "Who is going to pay for it?" that the mere showing of columns of figures based on actuarial experience even though they run into billions of dollars is going to be the ultimate answer, or that lobbying is going to stop further gains in social insurance.

Parallel with Fire and Marine

Referring to the setting up of the War Damage Corporation and War Shipping Administration insurance plans as evidence of the cooperation between the fire companies and marine companies with the government, Mr. Griffith said that if the accident and health business is really private enterprise it will find the answer and write the epitaph of socialized insurance which will read, "Here lies—the born, bred and buried Beveridge plan."

At the request of J. R. Garrett, National Casualty, New York state chairman Insurance Economics Society, W. T. Hammer, Commercial Casualty, outlined his solution of the problem which calls for the marketing and promotion by all accident and health companies of a simple, uniform, low cost, non-occupational disability policy.

It was voted to make mimeographed copies of Mr. Griffith's talk available so that members could bring it to the attention of producers and companies. J. L. Ullman, W. L. Perrin & Son, urged that an educational campaign be conducted among agents and brokers not sympathetic to accident and health because of conditions existing 18 or 20 years ago.

F. G. Cloos, Metropolitan Life, president

Several Changes Made in Bankers Bond Forms

The Towner Rating Bureau has issued three new riders: an optional agents rider to be attached to form 22; an optional agents rider for use with form 5, and a mandatory rider amending form 5 in several respects.

The 5 percent charge for the riot and civil commotion rider to the forms has been eliminated. Under the new agents rider to No. 5 the new rate is \$12.50 per agent regardless of bond penalty. In cases where the old agents rider is in a penalty exceeding \$10,000 the new rider will probably result in a lower premium charge and a refund may be due insured.

The agents rider to form 22, covering savings, building and loan associations, provides a new rate of \$12.50 per agent regardless of bond penalty. The old charge was on a volume basis resulting from multiplying the number of agents by the amount of agents' coverage. Attachment of the new rider probably will result in a refund where the old agents rider was attached.

Change in Form 22

Under form 22 employment of salesmen and collectors no longer is a factor in classifying savings, building and loan associations as class A or B.

While the mandatory rider to form 5 affects only savings banks, the changes here are rather extensive. To the definition of property have been added federal reserve notes, life insurance policies, assignments of such policies, and other valuable papers and documents. "Guest students" are covered as employees.

The forgery or alteration insuring clause now covers forgery "on or in" any instrument as well as "of." The "on premises" and "in transit" insuring clauses previously limited the coverage for loss of subscription, conversion or deposit privileges to loss "through the misplacement" of specified security. This coverage bond now covers loss of such privileges through any of the hazards enumerated in the insuring clauses.

Covers Holdup on Premises

Coverage now is given in case customers or insured are held up on the insured's premises. Property in the custody of "any other person acting as messenger for insured" is covered under the in transit insuring clause, and the armed guard requirement in connection with the transportation of property by an armored motor vehicle company has been eliminated.

An insuring clause providing affirmative coverage on safe deposit box legal liability has been added. The coverage on deposits made by school children has been broadened to cover deposits made by any group which systematically makes deposits with insured. The meaning of "single loss" has been clarified.

Standard form 21 for clearing houses and associations, which is seldom used, can be modified by an optional rider giving the benefit of experience credit and credit for underlying fidelity schedule at a rate of \$1.50 per \$1,000.

All changes are effective Feb. 1, and any premium adjustments shall be made on a pro rata basis.

Handling Merchant Marine Deaths

A plan for handling death claims on members of the merchant marine who are casualties at sea has been drawn up by the International Claim Association in cooperation with the War Shipping Administration. Death claims will be cleared on the basis of a special report which the War Shipping Administration will provide.

ing in his new capacity as president for the first time, reported that more than 30 members of the club are serving in the armed forces.

H. & A. Conference to Meet June 3-4

Plans for Streamlined Session in Chicago Given to Executive Committee

Confidence that accident and health insurance can continue to cope successfully with wartime problems was expressed at an enlarged executive committee meeting of the Health & Accident Underwriters Conference in Chicago.

Tentative plans for a streamlined annual meeting were announced by R. J. Wetterlund, Washington National program committee chairman, and topics ranging from legislative to manpower problems were discussed. Barring further transportation restrictions, the annual meeting will be held at the Edgewater Beach Hotel in Chicago June 3-4 and will be confined to four half-day sessions, minus golf, the usual banquet and other frills. The gatherings will be devoted to agency and home office management problems, informal discussions, an executive meeting, and what Mr. Wetterlund calls a "mystery" program.

O. F. Davis, Illinois Bankers Life, executive committee chairman, presided and members of the advisory council and committee chairmen were in attendance, as well as executive committee members and conference officers.

Committee Reports Submitted

Reporting for the agency management committee, Clifton W. McNeill, Union Mutual Life, chairman, stated that the agency management bulletins will be continued, and it was the feeling of the meeting that more attention should be focused on all angles of agency work. E. C. McCord, Illinois Mutual Casualty, chairman of the education committee, announced that the H. A. U. C. Institute will conduct an examination the latter part of April or early in May. E. Hauschild, Security Mutual Life, underwriting committee chairman, stated that surveys on "Women in War Work" and "Defense and Ordnance Employee Underwriting" had been completed and would shortly be distributed to all member companies. A report for the newly organized publicity committee was made by Chairman J. W. Scherr, Jr., Inter-Ocean Casualty, who advocated a closer cooperation with the insurance press and announced plans for a monthly release, dealing with the health and accident industry, to go to 75 daily newspapers and news and business magazines.

Executive Secretary Harold R. Gordon advocated continuance of all activities and services of the conference office, which was accorded the endorsement of the entire group.

Cheese Makers Mutual Fights Move by Duel

MADISON, WIS.—A temporary writ has been granted in Dane county circuit court to Cheese Makers Mutual Casualty prohibiting the commissioner from starting any action to revoke its license until after a hearing. Judge Hoppman has set Feb. 19 as the date for argument. Commissioner Duel has advised Cheese Makers that its \$32,000 surplus is insufficient under the provisions of the 1941 statute which requires a mutual casualty company to have a \$50,000 surplus. Cheese Makers maintains that since it was in business before enactment of the law, it is not subject to that provision.

O'Connor Speaks in Indianapolis

E. H. O'Connor, executive director Insurance Economics Society, addressed the Indianapolis Accident & Health Association on the effect of the proposed extension of the social security law to include disability and hospitalization benefits.

Tells How to Avoid Unfair Rulings by Government

John R. Peterson Cites Mistakes in Approach to Officialdom

Blame for many of the unfair and unfortunate governmental rulings and orders rest directly upon business itself according to John R. Peterson, counsel of Continental Casualty, who addressed the annual dinner meeting of the Insurance Club of Chicago Tuesday. "If instead of sitting back and merely complaining," he declared, "we (1) prepared our cases carefully, (2) saw that they received a proper hearing (3) presented them clearly and effectively, and (4) honestly and fairly pointed out what seems to be a just and right treatment we could expect much better treatment. Rarely will a man give a wrong answer if he knows the right answer."

In dealing with a government agent it is advisable for the citizen to put himself in the government man's place and to treat him as the citizen would like to be treated if he was in the government man's place. The business man or individual, with a governmental problem, frequently does not overcome his own inertia to the extent of analyzing his problem carefully and pointing out to the government representatives what he considers just and right solutions. Too often he merely puts the problem in the lap of a government man and expects the latter to act as his lawyer. Such an approach is responsible for many of the objectionable governmental rulings.

Mr. Peterson held his audience closely. After making a few prefatory statements he invited questions and to the numerous questions that were asked he gave precise and lucid answers.

W. F. Kuffel, Phoenix of Hartford, who has been largely responsible for rejuvenating the club, was reelected as president. Among the other officers are R. A. Parker, manager Cook County Inspection Bureau, first vice-president; R. K. Beiter, Millers National, secretary, and R. L. Proctor, Boyle, Flagg & Seaman, treasurer.

In discussing the Victory Tax, Mr. Peterson cautioned agents to set up a definite reserve for this levy which must be paid by an independent contractor along with his income tax on March 5, 1944. He said that the Victory Tax return is to be made part of the regular income tax return.

In answer to a question he expressed the belief that the excess profits tax would not fall heavily on casualty companies for the reason that the average earnings base comprises the years 1936-1939 during which those companies enjoyed a substantial income.

One member asked how commissions should be treated for income tax purposes when a five year premium is financed but the agent instead of capturing his full commission the first year agrees to take the commission annually as the assured pays his installment to the finance company. That arrangement is made, he pointed out, to give the assured a smaller finance charge. Mr. Peterson expressed the belief that only that commission that is actually received would have to be included as income in any particular year.

Another question was whether premiums paid by a corporation for so-called business accident insurance con-

(CONTINUED ON LAST PAGE)

ACCIDENT AND HEALTH

Insurer Loses Pro Rate Case

Under a decision of the Tennessee supreme court Mutual Benefit Health & Accident has been denied the right to pro rate with other insurance payment for loss of a foot by Albert A. Able. The court held Able was entitled to recover the full benefit of \$2,500 from Mutual Benefit.

When the policy was issued Able was carrying an accident policy with Provident Life & Accident and group insurance with Prudential. Able notified Harrell, agent for Mutual Benefit, of these policies, but the insurer insisted that Able stated to Harrell that he would not renew the Provident policy after he received the Mutual Benefit contract and Harrell wrote that statement in the application. Able denied making such statement and the court of appeals found that the statement written by Harrell was illegible. Provident paid its full benefit of \$1,000 to Able.

Failed to Give Notice

The complaint of Mutual Benefit is, in effect, not that Able renewed the Provident policy but that he failed to give written notice that he was continuing to carry it.

Standard provision 17, the court held, does not provide when notice of other insurance shall be given. When given, however, the requirements of section 17 are satisfied. Notice of other insurance must be given within a reasonable time prior to the expiration of the period for which the insurer had accepted a premium, so with such notice the insurer may determine whether it will cancel on the following renewal date. If a loss occurs within the period for which premium has been paid and before notice of other insurance has been given, the insurer is liable for the full amount.

Representing Able were Cox, Taylor, Epps & Miller of Johnson City, Tenn., and Simmonds & Bowman of Johnson City acted for Mutual Benefit.

Provident L. & A. Promotes Six; All Vice-presidents

Provident Life & Accident has promoted Howard R. Hill, assistant vice-president, to vice-president, W. Ray Webb and M. C. Nichols, assistant vice-presidents to agency vice-presidents in the group department. James E. Powell, accident department, and R. R. Murphy, railroad department, now agency vice-presidents, become vice-presidents. Sam E. Miles, agency manager life department, is now agency vice-president of that department.

Commissioner Opposes Extension of Benefits

BOSTON—Several insurers appeared before the insurance committee of the legislature seeking authority to extend their benefits to include hospitalization and medical attendance, including General Electric Mutual Benefit Association, Eastern Commercial Travelers Health, Eastern Commercial Travelers Accident, and New York Central Railroad Mutual Benefit.

The proposals in general were opposed by the insurance commissioner on the ground the fraternal were not under his supervision and the bills provided that he supervise certain of their activities. He contended he would not want to undertake to supervise a part of such organizations and not have authority over them as a whole, but would prefer they remain as they are, entirely apart from his department. The bills were held over, pending expected filing of a general bill to take care of general supervision of such societies.

Provident L. & A. Goes Sharply Ahead

Gains for all departments of Provident Life & Accident are reported. Payments numbering 180,124 were made to 140,695 insured or their dependents for a total of \$6,561,000.

Assets increased by \$3,300,000 to \$20,538,854; surplus to policyholders reached a new high of \$4,185,059. Accident and health premium income gained \$990,000 for another all-time high mark of \$9,759,997.

No bonds or mortgages were in default and the entire list of invested securities had a value above the book value or purchase price.

Purchase of \$3,000,000 in government securities brought the total to 30 percent of assets. More than 40 percent of home office men are in uniform.

Schoonmaker Compares Agents with Pilots

WILMINGTON, DEL.—Just as an airplane pilot is limited because of clouds



R. S. Schoonmaker

as to his visibility, so is the accident and health producer limited in his production only by his inability to see into the future. Robert S. Schoonmaker, Jr., Globe Indemnity, president Accident & Health Association of Philadelphia, pointed out before the Delaware Association of Accident & Health Underwriters here. Before an airplane pilot takes off he checks over his various instruments, warms up his motor and adjusts his parachute. The accident and health agent likewise must see that his various sales ideas are in place and ready for use and he must be "tuned up" and have something vital to say and say it. A plane is of no value unless it actually takes off and no matter how many ideas he may possess, unless the agent goes out and makes calls he will never put any business on the books.

P. E. Ansel, Monarch Life, Baltimore, chairman regional directors committee and executive committeeman of the National association, discussed membership and attendance.

O'Connor Is Chicago Speaker

E. H. O'Connor, executive secretary of the Insurance Economics Society, told the Chicago Accident & Health Association at its meeting Tuesday of the dangers to the insurance business in the proposed extension of the social security act to provide disability and hospitalization benefits. Taking up the suggestion of Secretary of Labor Perkins in a recent address of a 3 percent tax for that purpose, he pointed out that on the basis of government figures on wages last year, this would mean a tax of \$1.12 per week for the average workingman, or \$58.24 a year, and asked how the policy that a private company would write for such a premium would compare with the benefits proposed under social security.

He said the advantage of free enterprise in the United States has been shown by the rapid progress made in the war industries and that it is important to preserve it for peace as well as for war. In commenting on the wide scope of the Beveridge report in England, he said it might well be entitled, "How to be Born, Bred and Buried," by Beveridge.

A. D. Anderson, superintendent of the accident and health department of Occidental Life, a former president of the Chicago group, who is on an agency

National Casualty's New Form Designed for Women

National Casualty has brought out a new contract, the "Golden Indemnity" policy, which embodies some unique features. Though primarily designed to be sold to women it is also for men. It is particularly adapted to helping agents and brokers replace in part the commissions they have lost because of the automobile liability situation and prospects going into the armed services.

Housewives may be insured for \$30 a month income against disability due to accident or illness, with a \$300 accidental death benefit. The premium is \$15.90 a year plus a \$2 policy fee. For employed men and women there is a flat rate applying to classes AAA, AA and A. Women are written between ages 16 and 45 and an attractive feature is a benefit for childbirth equal to half a month's indemnity. Other features include 24 months for a totally disabling accident, double indemnity for specified accidents, and 50 percent extra monthly benefit for hospital confinement for one month.

Children from 6 to 16 may be written for \$15 monthly and \$100 accidental death, the premium being \$7.70 a year.

trip that will take him from Los Angeles to Montreal, spoke briefly, emphasizing the need for unanimity of action and a greater spirit of service at this time. He was voted honorary membership in the Chicago association.

President W. Welsh Pierce, Massachusetts Indemnity, announced that the meeting next month will be an evening get-together, March 10.

R. B. Smith Oklahoma Speaker

R. B. Smith, Great Northern Life, spoke at the January meeting of the Oklahoma Accident & Health Association, stressing the possibilities of accident and health insurance in 1943. He said 25 percent more people are now employed and earned income is up 25 percent, although the number of active accident and health agents has been reduced 25 percent.

C. W. Cameron, North American Accident, president, cautioned briefly against the danger of any movement to broaden the social security law to include accident and health coverage.

Consolidate California Companies

LOS ANGELES—A court order has been issued approving the consolidation of 11 Chapter 9 life companies with the Guaranty Union Life. Of these, Alliance Mutual, Great States Life, Physicians Life, Southwestern Life of Cal., Benjamin Franklin Life, Mount Norwich Life, and State Mutual Life, Cal., write accident and health insurance.

Sickness Ratio Not High

While there has been quite an epidemic of influenza and other respiratory diseases this winter the claim ratio of companies writing health insurance is not high. There are some increases running from 5 to 10 percent. Indications are that there are a large number of cases which last for less than a week or so. There has not been many pneumonia cases and those not prolonged. Sulpha drugs undoubtedly have had a very salutary effect in checking the ravages of influenza.

Review Cleveland Activities

At the February meeting of the Cleveland Association of Accident & Health Underwriters, President Walter Sullivan, Monarch Life, announced the new committee chairmen.

G. H. Knight, Federal Life & Casualty, reported on the work of the legislative committee, which is cooperating with the Insurance Economics Society. Vice-President James Hinton, National Casualty, announced a membership campaign and asked the aid of all members.

A letter was received from Harold R. Gordon, executive secretary Health &

Accident Underwriters Conference, asking the cooperation of the Cleveland association in work being promoted by the conference.

Bevan Boston Claim Speaker

The Boston Life & Accident Claim Association will head a talk Friday evening by Ralph C. Bevan, general agent of National Life of Vermont, Providence, R. I., on "Words and Their Magic Power."

Detroit Adjusters Elect

DETROIT—W. D. Buchanan, Employers Liability, was elected president of the Detroit Adjusters Association at the annual meeting, succeeding A. B. Rodger, Continental Casualty. He was secretary-treasurer last year. Joseph Caskey, Hardware Mutual, who was vice-president, has entered military service.

D. J. Laramie, Fidelity & Casualty, becomes vice-president and William Smith, Lumbermen's Mutual Casualty, secretary-treasurer. The association adopted a resolution to continue all those entering service as members without dues for the duration.

COMPENSATION

"Approved" Compensation Law Changes Introduced in California Legislature

SAN FRANCISCO—A number of compensation changes are provided in a bill approved by the insurance legislative conference which has been introduced in the California legislature.

The penalty against employers willfully misrepresenting amount of payrolls set at 10 times the amount saved and the period of limitation is changed from one to three years and is "tolled" during the war. In computing compensation reserves, 70 percent of earned premium only is applicable for the two preceding years. The bill would apply the case basis to such years, if a higher reserve is produced and thus place the first and second preceding years on the same basis as the third preceding year. The commissioner is also granted power to require additional reserves.

The present provision that the commissioner shall fix minimum premium compensation rates is made obsolete by the army and navy cost plus plan under which commissions are excluded from the rates and provided for independently, resulting in rates lower than the minimum. In addition, bids include general liability insurance as well as compensation and both factors make adherence to the present laws impossible. The amendment authorized this procedure on war projects and conforms the law to the practice.

Wage Trend Factor in Rates Debated in Texas

AUSTIN, TEX.—The hearing before the Texas board of insurance commissioners to consider the proposal of Texas Employers that a wage trend factor be included in the rate structure for workmen's compensation developed into a debate between Austin F. Allen of Texas Employers and A. Z. Skelding, actuary of the National Council on Compensation Insurance, who opposed the plan. Mr. Allen cited the need of such a factor to reduce rates at present, when wages and payrolls are abnormally high, and said such a factor would automatically increase rates when wages and payroll decrease. The opponents of the plan do not believe a wage trend factor will solve the problem and do not consider the proposal fundamentally sound from an actuarial standpoint.

The suggestion that the experience rating plan use a three-year term instead of the present five-year met with

NATIONAL SURETY CORPORATION

VINCENT CULLEN, *President*

FINANCIAL STATEMENT

December 31st, 1942

ASSETS

Cash in Banks	\$ 2,353,929.15
Investments:	
Bonds of United States Government and its Agencies	\$7,798,855.00
Other Bonds	2,484,124.85
Preferred Stocks	4,516,650.00
Common Stocks	8,130,091.15
	<u>22,929,721.00</u>
Premiums in Course of Collection, Not over 90 Days Due	1,152,201.58
Capital stock of National Surety Marine Insurance Corporation, a wholly owned subsidiary	1,747,400.50
Accrued Interest and Rents	45,300.71
Reinsurance and Other Accounts Receivable	51,791.25
Home Office Building	500,000.00
TOTAL ADMITTED ASSETS	<u>\$28,780,344.19</u>

LIABILITIES

Reserve for Losses and Loss Adjustment Expenses	\$ 4,513,512.56
Reserve for Unearned Premiums	6,402,923.37
Reserve for Commissions, Expenses and Taxes	2,302,135.10
*Contingency Reserve	531,768.10
Capital	\$ 2,500,000.00
Surplus	12,530,005.06
	<u>15,030,005.06</u>
TOTAL	<u>\$28,780,344.19</u>

*Includes \$31,768.10 representing difference between total values carried in assets for all bonds and stocks owned, and total values based on December 31, 1942 market rates furnished by National Association of Insurance Commissioners.

Bonds carried at \$1,093,821.18 are deposited for purposes required by law and bonds carried at \$30,640.50 are deposited as collateral on surety bonds required in court proceedings.

more general approval. Both the wage trend factor and the changing of the term of years for experience rating were taken under advisement by the board. It is possible that the Texas board may have a representative at the Tulsa meeting of committees of the National Association of Insurance Agents to gather information from other parts of the country on these questions.

O. D. Bill in Nebraska

LINCOLN, NEB.—Three amendments to the compensation law are now before the Nebraska legislature. One extends coverage to occupational diseases, another starts the time limit for bringing actions when the report is filed with the department of labor, while the third provides for direct appeal to the district court from awards of one member of the compensation court, instead of an appeal to the full compensation court.

Seek Increased O. D. Benefits

INDIANAPOLIS—A bill has been introduced in the Indiana house liberalizing occupational disease compensation weekly maximum benefits to \$18.15 and maximum compensation to \$5,500 and setting funeral benefits at \$165.

The house has passed a measure to give employment to physically handicapped by eliminating from compensation coverage impaired members (arm or a leg) but otherwise providing compensation for accidents suffered.

Name New Okla. Commissioners

V. K. Greer, member of the law firm of Bowman & Greer, Kingfisher, Okla., has been appointed chairman of the Oklahoma industrial commission, succeeding L. E. Beattie. H. H. Cook, Atoka, succeeds W. S. Mills and Weldon Ferris, Altus, succeeds Ralph Brentlinger.

Committees Approve O. D. Bill

NASHVILLE—The occupational disease amendment to the compensation law has been recommended out by committees of the Tennessee legislature.

Would Modernize N. J. Law

NEWARK—Governor Edison of New Jersey points out that the New Jersey workmen's compensation act, passed in 1911, does not cover many occupational diseases and he recommends that the legislature appoint a special committee to compare it with those of other industrial states and study specific amendments to modernize the New Jersey law.

Two occupational disease measures have been introduced in the Tennessee legislature.

CHANGES

St. John Named Manager of U. S. Casualty at Atlanta

Frank B. St. John, who was for many years manager of Hartford Accident in Minneapolis, has been appointed resident manager of U. S. Casualty in Atlanta.

Hoffman, Fenwick U.S.F.&G. Joint Managers in Detroit

DETROIT—C. L. Hoffman and J. S. Fenwick have been appointed joint managers here of U. S. F. & G., relieving W. H. McBryan, veteran Detroit chief, of some of his routine duties. Mr. Hoffman has been assistant manager for a number of years and Mr. Fenwick has been manager of the bonding department. He is a past president of the Surety Association of Michigan.

H. P. Reinhold, who has been branch supervisor, becomes assistant manager. He is also instructor in the fidelity and casualty course at Wayne University

for the Detroit Association of Insurance Agents. Mr. McBryan, who will celebrate his 42d anniversary with the company in June, remains as resident vice-president in charge of the branch.

Smith Pacific Coast Head for Century, Standard Surety

Merle D. Smith has been made manager of Pacific Coast operations of Standard Surety & Casualty and Century Indemnity, and will divide his time between the San Francisco and Los Angeles offices. He has been manager of

Standard Surety at Los Angeles the past ten years.

Heretofore, Century Indemnity has not been active in the California field, though Standard has developed a good volume of business.

C. C. Cattermole, special agent at Los Angeles for Great American Indemnity 13 years, has been placed in charge of the southern California office of Standard Surety and Century Indemnity.

Ross Markel Manager in S. F.

Charles Ross, for 15 years in the truck and bus transportation business, has

been appointed manager of the San Francisco office of Markel Service. He succeeds C. K. Parker, who has received a commission in the navy.

Gets American Indemnity in Wash.

American Indemnity of Galveston has appointed the Brown General Agency of Seattle as general agent in Washington.

Boston A. & C. Head Resigns

Accident & Casualty announces the resignation of T. S. Sampson, Boston manager. No announcement of his successor is being made at this time.

"Unforeseen events... need not change and shape the course of man's affairs"



BOOMERANG

EVEN the most innocent things can boomerang. The umbrella your wife takes shopping... the snowball your son throws... the pup your family loves... can hurt someone and throw *you* into court.

These things—and countless others—can happen either on or off your premises and find you without liability coverage. To meet today's need for more complete personal liability protection, in a single policy—covering both you and your family—The Maryland offers a new comprehensive policy which insures you against hazards to which your residence

or apartment, or your personal acts, expose you.

Covering all except a few stated risks—this new policy takes much of the gamble out of everyday existence. It frees you from fear that innocent acts may boomerang and exact drastic financial penalties.

Ask your agent or broker for full particulars. Maryland Casualty Company, Baltimore.

Dramatic advertisements like this—which do a pre-selling job for Maryland agents and brokers—appear regularly in

**TIME • FORTUNE • NEWSWEEK
U. S. NEWS • BUSINESS WEEK**

THE MARYLAND

Practically every form of Casualty Insurance and Surety Bond, for business, industry and the home, through 10,000 agents and brokers.

NEWS OF THE CASUALTY COMPANIES

Excellent Year for National Surety

National Surety experienced very satisfactory results in 1942. Assets reached \$28,780,344, an increase of \$2,367,990. After increasing loss reserve by approximately \$100,000, increasing premium reserve by \$400,000 and the reserve for taxes and expenses by \$740,000, there was added to surplus \$1,110,351. This brought the surplus to \$12,530,005.

The company continues in a strong liquid position, with cash and readily marketable securities nearly twice its liabilities. Holdings of government bonds were more than doubled during the year.

Premium volume rose 10 percent to \$10,616,450, the highest in company history. Loss and expense ratios continued favorable.

National Surety is a wholly owned subsidiary of Commercial Investment Trust.

U. S. Guarantee in Splendid Shape

United States Guarantee reported assets of \$21,925,580 on Dec. 31, an increase of \$1,542,443. Policyholders' surplus of \$9,768,940, to which is added voluntary reserve for contingencies of \$1,250,000 produces net worth of \$11,018,940, of which latter amount 89.6 percent has been earned.

Net premiums written before reinsurance were \$10,051,198.

There was a satisfactory underwriting profit after provision for federal taxes. Of the total earnings in the 53 years of existence 66 percent resulted from insurance operations and 34 percent from investment.

Bonds were reported at amortized value of \$12,918,971, which included government issues totaling \$11,907,366.20.

U. S. Guarantee has \$2.01 of assets per \$1 of liabilities; there is a ratio of 97.8 of liquid assets to total assets; the ratio of cash to total assets is 11.57, and net worth to total assets 50.26.

Great American Indemnity Has Excellent Report

Great American Indemnity in its new annual statement shows assets of \$21,967,257, which was an increase of about \$1,500,000 for the year. Premium reserve was \$4,428,966, a decline of about \$140,000. Loss reserve was \$7,844,593. Capital is \$2,000,000 and net surplus \$5,904,657 or an increase of about \$700,000. Net premiums written were \$10,925,308, increase \$400,000, losses and loss expense paid \$4,963,906, expenses \$5,233,803 and there was a gain from underwriting of \$708,794.

Move to Increase Am. Cas. Capital to \$1,000,000

Plans to increase the authorized capital of American Casualty of Reading, Pa., from \$1,000,000 to \$2,000,000 have been approved by stockholders. The directors were given power to sell in the open market 50,000 shares to increase the paid-in capital from \$750,000 to \$1,000,000.

Associated Indemnity Marks 20th

Associated Indemnity of San Francisco observed its 20th anniversary Feb. 9. The company has developed its business on a program of safety in industrial plants with participating policies as incentive to hold down losses. It was the first capital stock company to offer participating workmen's compensation insurance to the general pub-

lic, and the idea has proved successful. It now writes all casualty lines.

At the end of 1942 assets were \$9,331,997 and net premium income \$7,209,632.

New England Casualty Reports

Net premiums written of New England Casualty last year amounted to \$464,176, an increase of \$86,948. Losses and loss adjustment expenses incurred were \$288,727, giving a 62.2 percent ratio to premiums written. There was an

underwriting loss of \$4,771 compared with an underwriting loss of \$118,170 the previous year. The management intends to increase its agency plant along conservative lines.

American Bonding—Assets, \$2,197,334; dec., \$87,959; unearned prem., \$944,927; loss res., \$529,730; capital, \$1,000,000; surplus, \$948,749; Inc., \$56,529. Experience:

	Net prems.*	Losses pd.*
Fidelity	\$ 738,176	\$ 111,422
Surety	497,828	57,279
Plate glass	51,344	24,556
Burglary and theft.	234,652	57,110
Total	\$1,522,000	\$ 250,367

*Premium and claim reserves carried

by Fidelity & Deposit in which all business is reinsured 100%.

Ben. Assn. of Rail. Employees—Assets, \$3,474,329; Inc., \$564,321; unearned prem., \$266,297; loss res., \$1,079,180; surplus, \$1,749,921; Inc., \$454,654. Experience:

	Net Prems.	Losses Pd.
Accident & health...	\$3,902,575	\$2,093,593
Group A. & H.....	2,351,647	1,541,812
Total	\$6,254,223	\$3,635,405

Century Indemnity—Assets, \$14,640,578; Inc., \$891,542; unearned prem., \$3,622,112; loss res., \$4,960,149; liab. res., \$2,258,511; comp. res., \$1,782,680; capital,

Fifty Third Annual Statement

DECEMBER 31, 1942

ASSETS

United States Government Bonds...	\$11,907,366.20
State and Municipal Bonds.....	251,036.77
Railroad Bonds and Stocks.....	525,280.00
Public Utility Bonds and Stocks...	1,166,107.42
Industrial, etc. Bonds and Stocks...	5,059,083.79
TOTAL BONDS AND STOCKS.....	\$18,908,874.18
Cash in Banks.....	\$2,529,423.17
Cash in Office.....	8,425.00
Premiums, not over three months due	231,796.84
Reinsurance Receivable.....	227,676.57
Accrued Interest.....	47,607.12
Other Assets.....	-28,222.46
TOTAL ADMITTED ASSETS.....	\$21,925,580.42

LIABILITIES

Reserve for Unearned Premiums....	\$ 3,924,306.73
Reserve for Losses and Claims.....	3,032,399.26
Reserve for Loss Adjustments Expenses	109,151.00
Reinsurance Reserves.....	1,121,568.84
Funds held under Reinsurance Treaties	390,536.72
Commissions and Brokerage.....	139,491.40
Federal, State and Other Taxes.....	2,045,534.86
Accounts Payable.....	143,651.59
Voluntary Contingency Reserve.....	1,250,000.00
	\$12,156,640.40
Capital Paid In.....	\$2,000,000.00
Surplus.....	7,768,940.02
Surplus to Policyholders.....	9,768,940.02
TOTAL LIABILITIES.....	\$21,925,580.42

Bonds and Stocks are valued in accordance with requirements of State of New York Insurance Department. On the basis of December 31, 1942 market quotations for all bonds and stocks owned, this company's Total

Admitted Assets and its Surplus would be increased by \$367,923.86.

Securities carried at \$1,044,038.45 in the above statement are deposited as required by law.

Directors

A. M. ANDERSON
J. P. Morgan & Co., Incorporated, New York

WM. HENRY BARNUM
President, Continental Realty Investing Co., Inc., New York

PRESCOTT S. BUSH
Brown Brothers Harriman & Co., New York

CLINTON H. CRANE
President, St. Joseph Lead Co., New York

D. ROGER ENGLAR
Bigham, Englar, Jones & Houston, New York

WILLIAM A. HAMILTON
Hamilton, Ont.

JOHN T. JONES
Vice-President, New York

GARRISON NORTON
Arthur Young & Co., New York

JUNIUS L. POWELL
Chubb & Son, New York

GEORGE H. REANEY
President, New York

REEVE SCHLEY
Vice-President, Chase National Bank, New York

LANGBOURNE M. WILLIAMS, Jr.
President, Freeport Sulphur Company, New York

HENDON CHUBB, Chubb & Son, New York

UNITED STATES GUARANTEE COMPANY

HOME OFFICE: 90 JOHN STREET, NEW YORK, N. Y.

Washington, D. C.

Pittsburgh, Pa.

Chicago, Ill.

Atlanta, Ga.

\$1,000,000; surplus, \$3,817,132; inc., \$321,203. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 158,871	\$ 47,785
Health	10,424	5,022
Group A. & H.	293,320	287,334
Auto liability	2,534,540	1,160,718
Other liability	1,172,068	335,765
Workmen's comp.	2,078,382	928,973
Fidelity	256,695	68,199
Surety	853,971	100,540
Plate glass	172,513	68,881
Burglary and theft.	396,909	78,750
Auto prop. damage.	801,577	375,006
Auto collision	19,426	6,094
Other P. D. and coll.	80,720	16,332
Total	\$8,829,422	\$3,479,405

California-Western States Life—Assets, \$62,995,810; inc., \$4,040,253; unearned prem., \$68,263; loss res., \$85,034; capital, \$875,000; surplus, \$1,500,000; inc., \$100,000. Experience:

	Net Prems.	Losses Pd.
Accident & health.	\$ 211,406	\$ 71,624
Group A. & H.	824,898	581,115
Total	\$1,036,305	\$ 652,739

Commercial Travelers Mut. Acci.—Assets, \$5,574,204; inc., \$715,945; unearned prem., \$769,041; loss res., \$1,258,067; surplus, \$3,040,318; inc., \$349,526. Experience:

	Net Prems.	Losses Pd.
Accident & health.	\$3,794,892	\$2,173,878

Detroit Automobile Inter-Ins. Exch.—Assets, \$9,642,356; inc., \$814,853; unearned prem., \$3,458,025; loss res., \$499,174; liab. res., \$1,741,531; surplus, \$2,943,538; inc., \$35,000. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$2,565,296	\$ 755,868
Auto prop. damage.	1,173,086	688,921
Auto collision	2,180,345	1,566,264
Other auto	1,378,891	441,497
Total	\$7,297,619	\$3,452,550

Employers, Ala.—Assets, \$706,948; inc., \$117,333; unearned prem., \$195,317; loss res., \$6,429; liab. res., \$57,162; comp. res., \$158,332; capital, \$100,000; surplus, \$109,213; inc., \$2,481; cont. res. inc., \$25,000. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 116,812	\$ 41,793
Other liability	33,985	3,654
Workmen's comp.	437,600	177,066
Plate glass	2,640	1,374
Auto fire & theft.	23,905	5,940
Auto prop. damage.	33,909	18,137
Auto collision	29,527	13,656
Other P. D. and coll.	9,131	541
Hospital .....	.....	184
Total	\$ 687,509	\$ 262,345

Fidelity & Deposit—Assets, \$30,368,598; inc., \$2,131,755; unearned prem., \$7,039,766; loss res., \$4,881,229; liab. res., \$4,500; comp. res., \$31,173; capital, \$2,400,000; surplus, \$11,867,279; inc., \$529,528. Experience:

	Net Prems.	Losses Pd.
Health	\$ 195	\$ 195
Workmen's comp.	1,050	1,050
Fidelity	\$5,304,936	897,037
Surety	4,619,689	128,754
Plate glass	239,904	102,150
Burglary and theft.	1,129,027	217,841
Credit	2,000	.....
Total	\$11,295,556	\$1,347,028

Hartford Steam Boiler—Assets, \$22,807,095; inc., \$650,877; unearned prem., \$11,446,665; loss res., \$724,873; capital, \$3,000,000; surplus, \$6,674,180; inc., \$107,717. Experience:

	Net Prems.	Losses Pd.
Steam boiler	\$3,981,768	\$ 670,826
Engine and mach.	3,639,636	1,034,276
Total	\$7,621,404	\$1,705,102

PAYROLL AUDIT SERVICE

K. L. PEARCE COMPANY

— Audits Since 1920 —

PROMPT — COMPLETE

Iowa, Michigan, Missouri,
Minnesota, Dakotas, Nebraska,
Illinois, Indiana.

627-28-29 Insurance
Exchange Building
Des Moines, Ia.

330 So. Wells
Chicago, Ill.

Home Mutual Cas. Wis.—Assets, \$344,554; inc., \$57,040; unearned prem., \$104,307; loss res., \$17,103; liab. res., \$95,144; surplus, \$102,754; inc., \$45,540. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 158,907	\$ 74,364
Auto prop. damage.	57,300	24,035
Auto collision	19,356	8,360
Other auto	24,253	4,365
Total	\$ 259,816	\$ 111,124

London & Lancashire Indemnity—Assets, \$7,035,437; inc., \$342,027; unearned prem., \$2,025,312; loss res., \$324,919; liab. res., \$1,268,107; comp. res., \$504,554; capital, \$750,000; surplus, \$1,634,260; inc., \$282,458. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 294,992	\$ 112,117
Health	11,855	5,542
Auto liability	1,165,693	493,500
Other liability	562,932	203,983
Workmen's comp.	567,422	257,201
Fidelity	38,385	4,559
Surety	155,138	3,473
Plate glass	113,121	40,213
Burglary and theft.	186,090	39,917
Auto prop. damage.	389,563	159,084
Auto collision	21,187	6,601
Other P. D. and coll.	18,902	2,637
Total	\$3,525,280	\$1,328,827

Iowa Hardware Mut. Cas.—Assets, \$79,572; inc., \$2,988; unearned prem., \$12,701; loss res., \$441; liab. res., \$5,161; surplus, \$59,086; inc., \$4,748. Experience:

	Net Prems.	Losses Pd.
Fire	\$ 5,230	\$ 4,311
Auto liability	12,955	1,005
Auto prop. damage.	9,226	2,225
Total	\$ 27,411	\$ 7,541

Monarch Life—Assets, \$8,905,606; inc., \$1,100,203; unearned prem., \$738,353; loss res., \$610,115; non-can. A. & H. res., \$1,101,848; capital, \$445,600; surplus, \$1,213,581; inc., \$212,099. Experience:

	Net Prems.	Losses Pd.
Accident & health.	\$ 179,361	\$ 79,992
Non-can. A. & H.	3,689,867	531,171
Total	\$3,869,229	\$1,611,164

(CONTINUED ON NEXT PAGE)



Licensed in

All States

CENTRAL SURETY AND INSURANCE CORPORATION

FINANCIAL STATEMENT, DECEMBER 31, 1942

ADMITTED ASSETS

Cash (in Banks and Office)	\$ 1,573,163.86
Bonds:	
U. S. Gov't (Direct or Guaranteed)	\$3,888,175.18
State and Municipal	3,765,429.57
Railroad	49,725.82
Federal Home Loan Banks	55,000.00
Federal Intermediate Credit Banks	65,000.00
Total Cash and Bonds	\$ 9,396,494.43
Central Surety Fire Corporation Stock	558,086.85
Real Estate Owned	75,000.00
Real Estate Sold Under Contract	23,653.70
Mortgage Loans on Real Estate	42,048.62
Premiums in Course of Collection (not over 90 days)	980,441.90
Accrued Interest on Investments	64,409.10
Other Admitted Assets	20,958.62
Total Admitted Assets	\$11,161,093.22

LIABILITIES

Reserve for Claims	\$4,036,510.74
Reserve for Unearned Premiums	2,451,969.65
Total Claim and Premium Reserves	\$ 6,488,480.39
Reserve for Commissions, Taxes and Other Liabilities	829,327.52
Voluntary Contingency Reserve	100,000.00
Total Reserves	\$ 7,417,807.91
Capital	\$1,000,000.00
Surplus	2,743,285.31
Surplus to Policyholders	3,743,285.31
Total Liabilities	\$11,161,093.22

Securities carried at \$626,261.51 in the above statement are deposited for purposes required by law. Bonds are carried on amortized basis. Market value of bonds exceeded their book value, at December 31, 1942, by \$165,040.59. No bonds were in default either as to principal or interest at December 31, 1942. Market value of invested assets of Central Surety Fire Corporation exceeded their book value, at December 31, 1942, by \$27,300.32.

HOME OFFICE KANSAS CITY, MISSOURI

R. E. MCGINNIS, President

SAN FRANCISCO • CHICAGO • NEW YORK

(CONT'D FROM PRECEDING PAGE)

General Cas., Wash.—Assets, \$9,123,018; inc., \$1,621,772; unearned prem., \$3,110,754; loss res., \$385,386; liab. res., \$2,039,713; comp. res., \$141,276; capital, \$1,000,000; surplus, \$1,393,677; inc., \$349,730. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 15,221	\$ 4,811
Auto liability	2,553,975	1,051,980
Other liability	1,016,686	187,531
Workmen's comp.	554,634	105,757
Fidelity	128,730	18,781
Surety	752,224	26,852
Plate glass	75,320	29,504
Burglary and theft.	164,784	31,267
Steam boiler	80,428	2,916
Engine and mach.	65,267	3,280
Auto prop. damage.	942,238	504,376
Auto collision	334	85
Other P. D. and coll.	102,642	16,458
Other auto	1,139	1,707
Total	\$6,453,622	\$1,985,305

Illinois National Cas.—Assets, \$1,215,899; inc., \$202,561; unearned prem., \$420,436; loss res., \$41,346; liab. res., \$256,376; capital, \$200,000; surplus, \$170,488; inc., \$52,513. Experience:

	Net Prems.	Losses Pd.
Medical reimbursant.	32,969	\$ 8,483
Auto fire	11,274	1,117
Auto liability	359,990	108,967
Auto wind	1,853	459
Personal accident	1,199	238
Auto theft	5,609	534
Auto prop. damage.	188,411	66,988
Auto collision	251,011	105,084
Auto comprehensive	97,669	31,415
Total	\$ 949,986	\$ 323,285

Mutual Benefit H. & A.—Assets, \$21,602,678; inc., \$5,595,854; unearned prem., \$4,899,652; loss res., \$7,824,479; non-can. A. & H. res., \$865,686; surplus to policyholders, \$5,237,119; inc., \$2,706,836. Experience:

	Net Prems.	Losses Pd.
Accident & health.	\$27,007,698	\$11,158,736

Michigan Mutual Liability—Assets, \$11,873,742; inc., \$1,974,417; unearned prem., \$2,319,728; loss res., \$263,261; liab. res., \$1,288,247; comp. res., \$4,511,891; guaranty surplus, \$500,000; surplus (not

incl. guar. surp.), \$2,107,609; inc., \$339,726. Experience:

	Net Prems.	Losses Pd.
Accident and health.	\$ 186,255	\$ 118,795
Auto liability	1,315,381	481,993
Other liability	220,463	26,717
Workmen's comp.	4,921,943	1,650,889
Plate glass	6,017	1,920
Auto med. payments	81,316	28,152
Auto comprehensive	340,275	100,408
Auto prop. damage.	558,247	315,826
Auto collision	663,858	388,125
Other P. D. and coll.	42,455	5,209
Auto fire, tft. & tor.	71,530	12,639
Total	\$8,407,740	\$3,130,673

Maryland Casualty—Assets, \$60,255,684; inc., \$16,999,055; unearned prem., \$14,256,929; loss res., \$4,195,181; liab. res., \$6,549,153; comp. res., \$8,822,490; capital, \$4,974,273; surplus, \$16,220,376; inc., \$11,082,751. Experience:

	Net Prems.	Losses Pd.
Accident	\$1,151,400	\$ 384,539
Health	171,778	103,389
Group A. & H.	155,530	30,268
Auto liability	5,713,179	2,631,982
Other liability	3,553,104	840,012
Workmen's comp.	10,578,637	4,743,590
Fidelity	1,554,164	298,828
Surety	4,168,751	334,702
Plate glass	407,340	153,287
Burglary and theft.	1,137,193	211,590
Steam boiler	697,674	88,947
Engine and mach.	323,587	33,176
Auto prop. damage.	1,854,011	920,299
Auto collision	44,881	14,800
Other P. D. and coll.	436,376	72,936
Sprink. & water dam.	187,622	69,343
Total	\$32,135,227	\$10,931,688

Mutual Auto of Herman, Wis.—Assets, \$250,579; inc., \$23,157; unearned prem., \$80,709; loss res., \$11,157; liab. res., \$29,067; surplus, \$109,322; inc., 12,572. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 99,084	\$ 58,143
Auto prop. damage.	42,860	30,417
Auto collision	9,861	14,428
Other auto	14,874	2,501
Total	\$ 166,679	\$ 95,489

National Automobile, Cal.—Assets, \$7,524,144; inc., \$578,120; unearned prem., \$1,678,779; loss res., \$178,854; liab. res.,

\$490,852; comp. res., \$2,235,139; capital, \$300,000; surplus, \$1,706,011; inc., \$279,680. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 464,604	\$ 136,151
Other liability	264,441	41,423
Workmen's comp.	2,686,218	1,014,394
Fidelity	8,490	—404
Surety	175,340	—717
Plate glass	31,838	13,524
Burglary and theft.	32,920	8,093
Auto prop. damage.	188,675	91,793
Auto collision	489,213	492,702
Other P. D. and coll.	34,972	3,188
Other auto	214,161	117,056
Total	\$4,590,876	\$1,917,206

National Indemnity Exchange—Assets, \$212,515; inc., \$4,406; unearned prem., \$5,989; loss res., \$6,924; liab. res., \$8,804; surplus, \$179,833; inc., 17,264. Experience:

	Net Prems.	Losses Pd.
Inland marine	\$ 91,417	\$ 23,279
Auto liability	9,113	6,966
Plate glass	439	193
Auto prop. damage.	3,384	2,089
Auto collision	1,422	425
Other auto	1,326	96
Total	\$ 107,101	\$ 38,048

New Amsterdam Cas.—Assets, \$32,764,904; inc., \$2,008,616; unearned prem., \$6,649,300; loss res., \$2,067,282; liab. res., \$5,277,141; comp. res., \$4,958,574; capital, \$1,000,000; surplus, \$7,000,000; inc., \$500,000. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 301,362	\$ 84,111
Health	34,775	14,584
Auto liability	3,447,795	1,435,982
Other liability	2,462,680	701,408
Workmen's comp.	4,768,081	2,281,543
Fidelity	912,444	230,779
Surety	1,249,828	254,556
Plate glass	365,925	133,785
Burglary and theft.	612,025	135,942
Auto prop. damage.	1,142,983	582,084
Auto collision	27,720	10,018
Other P. D. and coll.	191,015	36,942
Total	\$15,516,633	\$5,901,734

Standard Surety, N. Y.—Assets, \$5,739,340; dec., \$146,069; unearned prem., \$1,325,123; loss res., \$1,702,515; liab. res., \$798,134; comp. res., \$567,050; capital, \$1,-

000,000; surplus, \$1,287,662; inc., \$397,001. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 118,581	\$ 30,046
Health	32	—
Auto liability	1,119,117	732,667
Other liability	391,867	153,189
Workmen's comp.	647,818	333,140
Fidelity	32,300	9,181
Surety	157,651	59,606
Plate glass	89,958	73,369
Burglary and theft.	144,155	35,691
Auto prop. damage.	359,364	269,075
Auto collision	4,574	1,311
Other P. D. and coll.	19,907	3,873
Total	\$3,805,330	\$1,701,111

State Automobile, In.—Assets, \$1,783,223; inc., \$208,275; unearned prem., \$822,360; loss res., \$93,656; liab. res., \$383,321; surplus, \$402,788; inc., \$80,305. Experience:

	Net Prems.	Losses Pd.
Accident & health.	\$ 1,543	\$ 18
Auto liability	649,329	220,003
Fidelity	1,662	—
Surety	9,235	—
Auto prop. damage.	320,881	125,989
Auto collision	254,910	120,817
Other auto	580,893	241,440
Total	\$1,818,453	\$ 708,266

State Automobile Mutual, O.—Assets, \$9,609,347; inc., \$751,848; unearned prem., \$2,226,827; loss res., \$217,190; liab. res., \$1,853,159; surplus, \$2,026,665; inc., \$229,797. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 197,946	\$ 57,671
Auto liability	2,062,261	720,486
Other liability	53,943	6,663
Cargo	7,484	1,278
Fidelity	2,464	132
Cyclone	36,814	4,054
Plate glass, auto.	361	147
Burg. and auto theft	295,466	56,196
Auto fire	230,269	57,511
Comprehensive	87,829	67,867
Auto prop. damage.	760,520	461,462
Auto collision	1,076,175	508,253
Other	19,535	6,656
Total	\$4,821,065	\$1,938,367

United Benefit Life—Assets, \$23,650,048; inc., \$3,695,332; unearned prem., \$100,285; loss res., \$179,913; non-can. A.



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& H. res., \$25,059; capital, \$600,000; surplus, \$1,048,169; inc., \$158,734. Experience:

Net Prems. Losses Pd.	
Accident & health..	\$ 393,541 \$ 159,569
Non-can. A. & H....	88,632 31,433
Total	\$ 482,173 \$ 191,003

SURETY

Navy Reverts to Competitive Bidding System

Surety people were much interested in the story in "Time" magazine this week that the navy has decided to abandon cost-plus-fixed-fee contracts and return to competitive bidding and fixed price contracts. The navy has only rarely been requiring surety bonds in connection with contracts on a cost plus basis but if the system of competitive bidding is again used it will mean quite an increase in suretyship because it is assumed bonds would not be waived when awards are made on the basis of competition.

Apparently the surety companies have not been officially notified of the change in navy practice but one of the companies stated that just last week after having seen no navy business for a long time it wrote a bond for Mullen, the contractor of Seattle, on a hospital project at Bremerton, Wash., the award having been made competitively.

The rate for navy bonds remains at 1 percent since the navy was not included in the agreement with the war department whereunder a system of graduated rates and commissions is set up. The war department was able to get that concession because of its agreement to require bonds more liberally than it had in the past.

According to "Time," there has been a wastage of materials and man-power due to use of the cost plus contract. The new policy of the navy is characterized by "Time" as "realistic" and comes down to the government driving a hard price in the beginning and giving the manufacturer the benefit of any economies he can make.

Western Surety Aims at Smaller Places

President Dan Kirby of Western Surety of Sioux Falls, S. D., has been taking a swing around the circle visiting in Iowa and then spending a few days at the Chicago branch office. He makes it a practice to get in touch with the field as much as possible.

The company has had a unique experience in its history. Mr. Kirby's father founded it; it commenced business in July, 1900. It writes various forms of surety and fidelity bonds and workmen's compensation in its home state.

The company is unusual in that it works largely in smaller cities, especially in county seat towns. It aims to form contacts with leading lawyers who use it for probate bonds. President Kirby and his associates study the surety needs of agents, especially those in the smaller points, and they carry on a program of education. They have recently gotten out an order blank for bonds which supplants the old application. This is a simple form and relieves the agent of extra detail. It has proved very popular. It is constantly sending out various novelties and advertising pamphlets.

Western Surety makes a point with its agents that it does not desire to write the big business as it realizes that it has not the capacity for the large contract bonds but it does emphasize the fact that it is expert in playing the second fiddle. It does not belong to the Surety Association of America and

therefore it is free in its underwriting. It writes over \$500,000 a year in premiums. President Kirby stands high in his home state and cooperates with the other South Dakota insurance companies. He is a prominent attorney at Sioux Falls.

Michigan Surety Men Elect

DETROIT—The largest attendance ever recorded, 52, attended the annual meeting of the Surety Association of Michigan. H. C. Megrew, Fidelity & Deposit, was elected president replacing L. C. Minor, American Surety, together with the other officers on the slate previously announced.

The Seattle Surety Association's get-together dinner will be held Feb. 26.

ASSOCIATIONS

Aviation to Be Big Claim Field After War

LOS ANGELES—Ariel C. Harris, Pacific Coast manager of Aero Insurance Underwriters, told the Casualty Insurance Adjusters Association of Southern California that the claim ratio on aircraft insurance will rise following the war and said adjusters will find many new angles in handling claims.

He reviewed the development of civil aviation and aviation insurance. He declared that when the war is over there will be hundreds of thousands of young men that have been flying during the war who will not be satisfied with ground transportation, but will take to the air. He said the air will be crowded with planes, there will be more collisions and the claim ratio may be expected to show a decided increase. He feels that the worst claims may come from catastrophic crashes in crowded areas, where the loss of life and damages will be much larger than in other cases. He said the guest passenger ruling in regard to automobile claims may obtain in aviation claims.

Adjuster's Problems Increase

The problems faced by the claim adjuster have been greatly increased by the war, Ray Murphy, assistant general manager of the Association of Casualty & Surety Executives, said in his talk at a meeting of the Casualty Adjusters Association of Chicago. Some claim adjusters have been called into service, some have been attracted to other positions. Consequently adjusters are handling ever increasing problems with a reduced personnel. The accident rate is somewhat lower, but the severity of accidents has greatly increased. This demands of the claim adjuster more than heretofore careful judgment in settling claims on a basis that is fair to the injured person, to assured and to the insurer.

Los Angeles Claim Men Elect

LOS ANGELES—The Los Angeles Life & Accident Claims Association has elected these officers: President, Otis Healy, Hartford Accident; vice-president, Fletcher Shepard, Unity Mutual Life & Accident; secretary-treasurer, L. G. Burford, Pacific Mutual Life.

McCallum Hartford Head

Michael A. McCallum of New Amsterdam Casualty was elected president of the Hartford Claim Adjusters Association at its annual dinner meeting. A talk was given by U. S. District Attorney Joseph Blumenfeld on "Phases of Investigation."

Thompson Los Angeles Chief

LOS ANGELES—The Casualty Underwriters Club of Los Angeles has elected these officers: President, Charles H. Thompson, Globe Indemnity; vice-president, George Howell, Maryland



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Casualty; secretary-treasurer, David Sanders, U. S. F. & G.; H. E. Burger, Zurich, is retiring president.

Dorney Is Mass. President

BOSTON—The Massachusetts Casualty Underwriters has elected these officers: President, Duke C. Dorney, resident vice-president of Maryland Casualty; vice-president, Harry A. Sawyer, Aetna Casualty; secretary-treasurer, Miss E. M. Peabody.

Pittsburgh Claim Men Elect

Frank F. Stigger, Maryland Casualty, has been elected president of the Pittsburgh Casualty Claim Association. Adam Hahn, Jr., Fidelity & Casualty, is vice-president; Dan F. Newman, U. S. F. & G., treasurer, and E. F. Koenig, Indemnity of North America, secretary.

Cal. Legislation Discussed

LOS ANGELES—Pending legislation and pending rulings on bond premiums were considered by the Surety Underwriters Association of Southern California at a meeting here. A bill is now pending giving relief to road contractors who are unable to finish the job because of priorities. It was pointed out that the measure would have to be changed to include all contracts if it is not to be thrown out as class legislation.

Merrick in Los Angeles

LOS ANGELES—Wayne Merrick of the Casualty & Surety Executives Association addressed the Casualty Claims Managers Forum on the new compensation insurance fee schedule. The new schedules had just been received.

Mr. Merrick also spoke on other problems that are receiving attention at the hands of the claim heads of companies and offices.

Risser Des Moines Speaker

DES MOINES—Robert P. Risser, district supervisor of U. S. F. & G., spoke before the Des Moines Casualty & Surety Club, discussing various phases of comprehensive liability insurance. A round table discussion followed.

At the next meeting Feb. 22 D. Wesley Barns, U. S. F. & G., will report on the schools sponsored by the Iowa Association of Insurance Agents. Several local associations are now conducting casualty classes.

Mass. Federation to Meet

The annual luncheon meeting of the Insurance Federation of Massachusetts will be held at the Boston City Club Feb. 17. The legislative outlook for 1943 will be discussed.

PERSONALS

R. H. Towner, former head of the Towner Rating Bureau of New York, is now residing at Reno, Nev., with his family. He is taking life leisurely, doing some writing and much reading. He keeps in touch with some of his old friends and is enthusiastic over his place of residence.

Harry T. Winter, assistant secretary of Standard Accident, has completed 20 years of service with the company. He started as assistant superintendent of the bond department and later was made superintendent. In 1928 he was appointed assistant secretary. He entered the business with U. S. F. & G. in 1913. In 1920 he became associated with Indemnity of North America.

George Ainslie, agency supervisor American Surety, is on the Pacific Coast.

Lieut. Lloyd G. Whitman, army air corps was married in Harrisburg, Pa., to Miss Phyllis Suits of Santa Monica, Cal. Before entering the service, Lieutenant Whitman was bond special agent of Aetna Casualty in Los Angeles.

Leland Mann, Los Angeles manager of Aetna Casualty, has just celebrated 30 years with the company. He received many telegrams and letters of congratulation from the home office and from agents. His associates presented him 225 applications for insurance, with a premium volume in excess of \$13,000. He also was guest of honor at a dinner tendered by the male members of the office, with more than 50 present.

Harry E. Walsh, Chicago claim manager of New Amsterdam Casualty and U. S. Casualty, is confined to Alexian Brothers Hospital in Chicago with a broken hip suffered in a fall on the ice at McHenry, Ill., which is near his home at Wonder Lake.

R. E. Robson, special agent of American Surety and New York Casualty in Newark, has completed a half-century of service with the organization. He was entertained at a testimonial luncheon at the home office. Talks were made by A. F. Lafrentz, president of American Surety, and W. E. McKell, president of New York Casualty. For the past 17 years he has been engaged in production work in the Newark territory.

William A. Granville, veteran vice-president of Washington National of Evanston, Ill., died at his home in Chicago at the age of 79. He joined Washington National in 1923, previously having served as president of Gettysburg College and as professor of mathematics at Yale from 1895 to 1910.



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Voluntary Contingency Reserve	500,000.00
Reserve for Losses	5,054,585.89
All Other Liabilities	4,722,764.19
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Harrington Reports Plan to Cover Mass. Employees

BOSTON—Massachusetts took first step looking to group insurance, with optional payroll premiums, for the 80,000 state, county and municipal employees, the coverage to include life, medical, surgical and hospital expense benefit. Commissioner Harrington, chairman of a special commission established by the last legislature, presented a complete report on the project which was favorably received by the legislative committee on insurance.

To minimize expense of administration of the plan, the bill provides that employees will be grouped according to their respective common paymasters, in the several departments of the state, or of a county or municipality. Small towns will be permitted to pool their employees so as to attain the minimum number of 50 employees to come under the minimum requirement, of which, in each case, it is expected 75 percent of each group will have to subscribe to the coverage. Premiums deducted from payrolls by the common paymasters will be turned over to a bonded treasurer for each association.

No medical examination will be required. Premiums will be deducted from payrolls only upon special written request of the individual insured and such practice may be revoked on 60 days notice. Membership may be held in only one association of employees. Dependents of members also may enjoy the privilege in respect to medical, surgical and hospital expenses.

Casualty Course in Chicago

Thomas J. Harty, who until two weeks ago was an outside investigator for New Amsterdam Casualty in Chicago and has also had experience in the claim department of Motor Vehicle Casualty and in the policy drafting department of Zurich, is starting a course in

casualty insurance to be given Saturday afternoons commencing Feb. 13, at the LaSalle Hotel, Chicago. Classes will be conducted from 1:30 to 5. Assisting Mr. Harty will be Carlisle Durfee of the law firm of Lord, Bissell & Kadyk, who was formerly claims manager for New Century Casualty, and Everett Johnson of the American Automobile compensation department.

Cost of Course

Mr. Harty for several years has been conducting the Harty "Law Review," which is a quiz course for candidates for the bar examination. Prior to going to Chicago he was in the office of Mark Eagleton, plaintiff's attorney of St. Louis. The insurance course will cover all forms of casualty insurance and a system of visual education will be used. He has organized the Institute of Casualty Insurance. The first lecture will be free and the cost for the entire course is \$37.50. It will be continued at least until May 1.

Assign 35 Minn. Auto Risks

MINNEAPOLIS—In the first month the assigned automobile risk plan was in effect in Minnesota the office was swamped with applications and 35 assignments made. James F. Reynolds, general manager of the Minnesota Compensation Rating Bureau, whose office is handling the assigned auto risk plan, is well pleased with the start made but believes the estimate of 300 assignments for the first year of operation, made by company men, will fall short.

E. S. Brewster to Home Office of Travelers

E. S. Brewster, who has been supervising adjuster for Travelers in Brooklyn since 1933, is being transferred to the home office as assistant manager in the casualty claim department with supervision over claims of Travelers Indemnity. Mr. Brewster is a graduate of the College of Law of the University of Michigan, and joined Travelers at Kansas City in 1915. Four years later he opened the claim office in New Orleans, and in 1923 he was called to the home office, where he served for four years. In 1927 he was assigned to Philadelphia and from there he was transferred to Brooklyn.

Tax Refund to Standard Accident

DETROIT—Deciding a tax case that will benefit a number of Michigan companies, Judge Moll held that the Michigan law fails to stipulate a special date for assessing domestic companies and ordered the city of Detroit and Wayne county to make a \$65,000 tax refund to Standard Accident.

The judge ruled with the company that the assessment should have been made as of April 1, 1940, rather than as of Dec. 31 of that year. On April 1 Standard Accident had its funds invested in tax-exempt securities while on Dec. 31

Detroit Surety Agents Aroused Over Attack

DETROIT—Michigan surety men were much concerned over the probable public reaction to allegations contained in a blast at the surety business by writers in one of the local newspapers, in connection with an attack on politics in the state highway department and the writing of highway contract bonds.

It charged that highway bonds are placed on a political basis and that the surety business is in need of a housecleaning.

Many allegations and figures used, surety men say, are incorrect and deceptive.

some of its portfolio was subject to taxation. The city and county had maintained that a 1929 statute set Dec. 31 as the proper assessment date.

Mansur B. Oakes, well known to life men as founder of the R. & R. Service in Indianapolis, and more recently as a director of Taylor Publishing Company, will make the initial broadcast of a new radio program Sunday over station WISH, Indianapolis.

The Nebraska insurance department would set maximum rates on compensation under a bill before the legislature.

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Fraizer Backs Nebraska Qualification Bill, Judge Asks for Amendments

LINCOLN, NEB.—Insurance Director Fraizer approved the agents' qualification bill at a hearing before a Nebraska legislative committee. D. C. Swigart, Shelton, a retired local agent, was the only one who appeared to oppose the bill. Bankers do not have to prove they are honest before being permitted to engage in business and there is no reason to require it of agents, he declared.

Judge Asks Amendments

Presiding Judge Coffey of the state compensation court asked the legislature to amend the agents' qualification bill to provide for revocation of license if an agent misrepresents the purposes as well as the provisions of a policy. He told the committee that this would stop health and accident agents selling policies to employers on the representation that they cover compensation liability. Several employers have suffered serious losses because of failure to buy compensation insurance, thus exposing them to damage suits brought under common law.

He also asked that agents be prohibited from selling compensation policies issued by non-admitted companies. While under existing law service may be had upon the agent in the county where he made the sale, death, removal and change of occupation leaves no one upon whom service can be had in the state.

J. M. Priest asked that radio stations which carry advertising for non-admitted companies be compelled to take out licenses and made parties upon whom service upon the company may be had.

Push Protection of Service Men's Business in Mich.

LANSING, MICH.—The Michigan Association of Insurance Agents and affiliated local boards are pushing the plan promulgated by the association to protect business of agents who are in service.

W. O. Hildebrand, association secretary-manager, addressed the Grand Rapids association on the situation there. It is stated that some non-member agents have been trying to pirate the business of agents in service. It was agreed that the best procedure would be to launch a city-wide effort to sign all agents, member and non-member alike, to the pledge which binds the signer to refrain from soliciting business of a service man's agency and to assist in every way in protecting that business. Mr. Hildebrand also discussed war legislative matters.

At Flint, the entire local board membership voted to sign the pledge and when requested to assist any drafted member with benefit of knowledge and experience and to give freely of time without remuneration to assist in placing renewal business.

Seek Clarification on Rebuilding of Mich. Schools

LANSING, MICH.—Reinterpretation by the Michigan attorney-general's department of the state school building code in relation to its provisions regarding rebuilding a school partially destroyed by fire has been asked by Waldo O. Hildebrand, secretary-manager Michigan Association of Insurance Agents, in order to clarify some insurance aspects. Several old school buildings recently

have been seriously damaged in fires which makes clarification desirable.

In an earlier opinion it was held that if 50 percent or more of a school building is destroyed, that portion must be reconstructed in accordance with the standard of safety prescribed in the act. Mr. Hildebrand points out if the second and third stories of a three-story building were destroyed by fire, for example, it would be useless to incur the expense of fireproof construction over a first story that does not have the same protection.

Mr. Hildebrand believes that the implication of the act is to require that a school building 50 percent or more destroyed by fire shall be entirely rebuilt from fire-resistant materials. The theory to be followed is of special importance in relation to whether schools should carry demolition insurance to cover loss occasioned by the enforcement of any state or municipal law or ordinance which necessitates, in rebuilding, the demolition of any portion of the insured building not damaged by fire.

Types of Iowa Agencies Are Analyzed by Upham

A. M. Upham, publisher of the Iowa Agent's Credit Report, has brought out a new report on the number of Iowa agencies in each of four classifications. The compilation was as of Jan. 14. He finds that there are 3,079 agencies representing stock fire companies that are not known to represent any mutual or reciprocal writing the class. This compares with 3,180 as of Sept. 30, 1940, and 2,903 on Nov. 30, 1937. There are 1,540 agencies representing mutual or reciprocal companies that are not known to represent any stock fire companies. This compares with 1,967 in 1940 and 2,358 in 1937. There are 1,693 agencies representing both stock and mutual fire companies compared with 1,831 in 1940 and 2,241 in 1937. There are 2,322 agencies representing companies writing automobile, truck, casualty, indemnity, surety, plate glass, compensation lines which are not known to represent any company writing fire insurance.

There were eliminated from consideration all life, accident and health, hail, tornado, livestock and all strictly fraternal societies.

Elmhurst Agent in Trouble

A plea of guilty to soliciting insurance without a license was entered by J. J. Bednorz of Elmhurst, Ill., in the county court at Wheaton, Ill.

Bednorz, who was formerly licensed as an agent, permitted his license to expire March 1, 1942, but continued to solicit insurance. Eight separate instances of soliciting and misappropriation of funds were noted. Restitution was made of the misappropriated funds. He was fined and assessed costs of the hearing.

Senn, Jr. Takes Over Agency

Ward Senn, Jr., has been given his release by the army and has taken over the management of the Pioneer Insurance Agency in Minneapolis, established by his late father. He was for several years associated with his father in the business.

New Topeka Executive Committee

Erwin Keller of the Hussey Agency, new president of the Topeka Insurers, has announced his executive committee, including James Brier, Holmes Meade, Glenn Hussey, Chas. Blakely, Stanley

Copeland and Edwin S. Nellis, president of the Kansas association. Messrs. Meade, Hussey and Blakely are past state presidents.

President Keller is urging member agencies to push war damage coverage to the limit and association advertising is being devoted to that effort.

O. C. D. Movies in Wichita

Three new O. C. D. movie films, on "The New Fire Bomb," "The Air Raid Warden" and "The Rescue Squad," were shown to the Wichita Association of Insurance Agents.

Peterson's 40th Anniversary

J. L. Peterson, local agent of Webster City, Ia., is celebrating his 40th year in the business. At first he gave part time to insurance work, then did special agency work for 25 years while continuing as a local agent. Some years ago he began to devote all his efforts to his lo-

cal agency business. In 1924 the Peterson Insurance Agency was merged with the Security Title & Loan Co., of which Mr. Peterson is vice-president. He continued in charge of the insurance department.

Osborn & Lange in Wisconsin

Osborn & Lange, Inc., of Wisconsin has been incorporated to engage in the fire and casualty agency business at Dousman, Wis.

Vernor to Speak in Flint

FLINT, MICH.—The Flint Association of Insurance Agents will sponsor an appearance here March 16 of R. E. Vernor, Western Actuarial Bureau, Chicago, before the Junior Chamber of Commerce.

Toledo Agents Elect Spittler

Leonard R. Spittler of the Merrill, Dodge & Jackson Co. agency was re-

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elected president of the Toledo Association of Insurance Agents at the annual meeting. John C. Tubb, Fred W. Smith agency, and A. J. Kaltenbach of Barker, Frost & Chapman, are vice-presidents, and N. W. Reed, secretary, reelected.

NEWS BRIEFS

The "bosses' day" luncheon of the Insurance Women of Wichita has been postponed to March 15 on account of the national board of state directors meeting in Tulsa. The monthly dinner meeting will be held Feb. 17.

James M. Casey of the Mitchner agency, captain of the Hutchinson state guard unit, received the highest grade in examination following a school of instructions for state guard officers at Camp Leonard Wood, Mo.

The joint dinner meeting of the St. Paul and Minneapolis Insurance Women's Association was held in St. Paul.

Lieut. D. G. Shea, U. S. navy, retired, former special agent of Hartford Steam Boiler there, who is reentering active duty with the navy, addressed the Detroit Insurance Women's Club on the work of the navy and the opportunities for young women with business experience in the WAVES.

The monthly dinner meeting of the Association of Insurance Women of

Kansas City was held on Feb. 8. Otto A. Ramseyer, state agent of North America, spoke on "Fire Insurance."

The Insurance Club of Minneapolis was given a closeup of Nazi Germany by

B. H. Ridder, St. Paul publisher, who spent some time there when Hitler was rising to power. The luncheon was sponsored by Northwestern Fire & Marine and Twin City Fire.

represented a large part of its operation in past years. It also will continue as general agent of Canadian Fire and Indemnity in Alaska.

Two King County Speakers

SEATTLE—At the luncheon meeting of the King County Insurance Association Feb. 11, Louis LaBow, past president of the association, who heads the public relations committee, will speak on the work of his committee. Lloyd A. Perkins, Pacific Mutual Life, president of the Seattle Accident & Health Managers Club, will outline the income tax deductions permitted under the new law for payment of accident and health premiums, as well as medical expense allowances.

Rename L. A. Secretary, Treasurer

LOS ANGELES — The governing committee of the Insurance Exchange of Los Angeles has reelected Walter W. Bennett of the Bennett-Warner Co. as secretary and Al. M. Sidman of Rosen-Sidman, treasurer, both for a third term.

At the Insurance Institute class on Feb. 11, a lecture on "Fire Insurance and Allied Lines" will be given jointly by V. S. Kerans, state agent Corroon

PACIFIC COAST AND MOUNTAIN

Garfinkle Halifax General Agent

William A. Bartlett of Chicago, manager of the western department of Halifax, whose territory includes everything from Ohio to the Pacific, has announced the appointment of Ben E. Garfinkle as general agent of Halifax for San Francisco and the bay district. He has opened offices at 114 Sansome street, San Francisco.

Mr. Garfinkle was born in San Francisco and has spent his entire business career in that field. For the past 17 years he has been serving as a field man of Northwestern National in the bay district. He is thoroughly experienced and highly regarded.

Approved Measures Are Introduced in California

SAN FRANCISCO—The 28 proposals approved here by the insurance legislative conference have been combined into 11 formal measures and have been introduced in the California legislature which has recessed until March 8. Provisions in the various bills include those which permit binders to remain in force longer than 90 days at discretion of the insurance commissioner, particularly where federal contracts are involved; permit the commissioner to examine any phase of a company's affairs without making a complete examination of all of its affairs; permit payment of commissions to agents where risk placed with one company is actually written by another company as under the assigned risk plan; extend liability policies to include medical benefits, instead of requiring a separate policy.

Another measure provides that any number of companies may enter into agreements on the approval of the commissioner; changes code provisions relating to the gross premiums tax on insurers to conform with the constitutional amendment which eliminates "real estate offset" on home or principal office property.

Permits writing of disability insurance providing for payments for hospital and medical services directly to those rendering such services; prohibits domestic mutual benefit life (assessment) associations from writing insurance on non-residents of California; places writing of group hospitalization on same basis as group disability.

Boyen F.U.A.P. Banquet Speaker

SAN FRANCISCO—Henry F. Boyen, well known San Francisco attorney and civic worker, will be the only speaker at the banquet of the Fire Underwriters Association of the Pacific, March 4.

F. J. Pelletier of Hinchman, Rolph & Landis, retiring president, will preside and formally present Russell L. Countryman, coast manager of Norwich Union, who is slated to be elected president and H. F. Badger, Pacific Board, who is to be elected vice-president. The organization has again invited the insurance commissioners of the western states and expects several to make the trip to San Francisco. The entertainment features will be along patriotic lines, highlighted by presentation of colors to the organization.

The banquet committee consists of John Henry Martin, Standard Forms Bureau; Loren Bush, Pacific Board;

B. F. Weaver, Royal-Liverpool, and H. H. Osborn, North British.

Brink Is San Diego Speaker

J. R. Brink, special agent of Phoenix of Hartford, spoke before the San Diego Insurance Exchange on "New Personal Property Floater, Its Changes and Advantages."

Frank Burns Setup Changed

SEATTLE—The Frank Burns Company has retired from the general agency business in Washington, following establishment of a branch office in Seattle by Canadian Fire and Canadian Indemnity under management of C. J. Ryan, formerly of the Frank Burns office.

The Burns Company will continue in the reinsurance business, which has

40th ANNUAL FINANCIAL STATEMENT

January 1, 1943

ASSETS

Cash in Banks and Office	\$ 477,767.96
U. S. Government Bonds*	2,838,304.95
State, County and Municipal Bonds*	84,379.51
Public Utility Bonds*	48,368.75
Industrial Bonds*	50,000.00
Mortgage Loans	565,989.92
Collateral Loans	68,000.77
Savings and Loan Investments	947,951.76
Public Utility Preferred Stocks†	608,443.00
Industrial Preferred Stocks†	186,950.00
Bank Stocks†	1,775,831.00
Insurance Stocks	175,200.18
Railroad Common Stocks†	18,500.00
Public Utility Common Stocks†	92,868.00
Industrial Common Stocks†	265,199.00
Agency Balances Not Over 90 Days	470,774.53
Premium Notes	270,372.18
Home Office Building and Grounds	200,736.94
Branch Office Building and Grounds	118,834.10
Other Real Estate	22,483.15
Real Estate Sold Under Contract	4,518.93
Due from Reinsurers	12,798.09
Interest Accrued	14,205.03
Reinsurance Recoverable on Losses and Expenses Paid	16,835.75
Other Assets	14.00
	\$9,335,327.50

LIABILITIES

Unearned Premium Reserve	\$4,297,214.76
Reserve for Unpaid Losses and Adjustment Expense	263,988.07
Due Reinsurers	2,454.00
Reserve for Taxes	180,000.00
Reserve for Unpaid Expense and Other Liabilities	16,000.00
Other Liabilities	2,532.84
Reserve for Fiduciary Agents Fees Collected	15,328.24
Capital	\$2,000,000.00
Surplus	2,557,809.59
Surplus to Policyholders	4,557,809.59
	\$9,335,327.50

*Amortized.

†Value as established by Insurance Commissioners Committee on valuation of securities.

Market value of securities owned exceeds values shown above by \$81,769.78.

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Rogers to Nettleship Company

LOS ANGELES—Sam L. Rogers has been added to the production and engineering staff of the Nettleship Company of Los Angeles as an assistant to General Manager Wayland A. Dunham.

Mr. Rogers started with Crum & Forster in San Francisco. He later was with the Firemen's group in Los Angeles as all-line special agent, and then joined the General Agencies of New York in the Los Angeles office as special agent.

Cooley Gets Union Marine

SEATTLE—The Cooley Company has succeeded Chapman-McGuinness Co. as general agent in Washington and Oregon for Union Marine & General. The appointment was announced by C. A. Craft, coast manager for the Phoenix of London group.

The Cooley Company also represents Pacific Employers and Dearborn National Underwriters of Lumbermen's.

Close Los Angeles Enrollments

LOS ANGELES—The Insurance Exchange of Los Angeles has closed enrollments in the California Institute course for agents, brokers and office employees as it has reached the maximum number that can be cared for by the instructors.

A. C. Mortensen, engineer Fireman's Fund, gave the initial lecture on "Fire Insurance."

Panel Discussions for Forum

Panel discussions will feature future meetings of the Fire Underwriters Forum of San Francisco. At this week's session the topic was "When Our Business Is Questioned." Members discussed recent criticisms and unfavorable trends and ways and means of combating them. The plan was outlined by W. T. Seawell, Jr., president.

Southern California Regionals

LOS ANGELES—Regional meetings will be held by the California Association of Insurance Agents, with Vice-President Ralph E. Bach of San Diego presiding, in Los Angeles Feb. 15, Santa Ana and San Bernardino Feb. 16 and Riverside Feb. 17.

Denver Glass Plant Burns

DENVER—Fire razed the E. & E. Glass Products plant here, causing damage estimated at \$50,000. The major loss was to glass-making machinery, irreplaceable under present war conditions.

There was \$5,000 insurance on the building and \$25,000 on machinery and equipment.

Seattle Insurer Gains

Northwestern Mutual Fire of Seattle reports assets in excess of \$11,500,000. Premium volume was \$11,393,080. Losses totaled \$3,195,436. Surplus was increased to \$3,103,240 with the addition of \$445,485 last year. Premium reserve increased to \$7,389,563.

Opens New Office in Yakima

The Washington insurance department has opened a new office in the Liberty building, Yakima. The office, which will serve central Washington, is supervised by Deputy J. Young.

NEWS BRIEFS

Ray E. Alderman, special agent of Royal-Liverpool, addressed the Glendale (Cal.) Insurance Exchange on "Rent and Added Living Expenses."

Theodore Roscoe, engineer on the staff of the Washington Surveying & Rating Bureau for 15 years, has joined the Stuart G. Thompson-Elwell Co. general agency, Seattle.

Twenty members and former members of the Seattle Blanket Club gathered Feb. 5 for an informal dinner meeting. Tom Telfer, Carter, MacDonald & Co., was chairman.

SOUTH

Three-fourths Value Clause Out in All S.E.U.A. States

The Southeastern Underwriters Association recently abolished the use of the three-fourths value clause on all types of risks. This affected the forms in Alabama, Florida, North Carolina and South Carolina, the clause having been previously abolished in Georgia.

In the issue of Feb. 4 it was erroneously stated that the S.E.U.A. has eliminated the three-fourths value clause in Mississippi. The S.E.U.A. has no voice in Mississippi's insurance affairs.

Windstorm Rates Reduced in Louisiana Coast Area

NEW ORLEANS—Windstorm rates on most classes in the coast area in Louisiana have been reduced by the Louisiana Rating & Fire Prevention Bureau and approved by the Louisiana insurance commission. The reduction

on dwellings is about 5 percent and on other classes about 10 percent. There are some exceptions. Area charges on sea coast now apply only to 15,000 square feet or more and excess area charges are reduced from .02 to .01. All other area charges were eliminated last August. Extended coverage rates were revised to conform with new windstorm rates. New extended coverage rates are inland .19 and seacoast .30.

The bureau has also issued a new farm property schedule, effective Feb. 1, changing rules, rates and definitions. The schedule has been modernized throughout.

Tenn. Qualification Bill Advanced

NASHVILLE—The agents qualification measure sponsored by the Tennessee Association of Insurance Agents and approved by the insurance department has passed on second reading in the Tennessee legislature.

Must Answer Interrogatories

MOBILE, ALA.—Federal Judge John McDuffie held that fire companies which filed suit several weeks ago for cancellation of insurance on the plant of the J. C. Sanders Cotton Mill Company at Prichard, charging that the property was wilfully burned, would be required to state who allegedly set the property

on fire and how, as well as how entrance was gained to the premises.

He held that the companies should answer some of the long list of interrogatories propounded by the mill company and its president, J. C. Sanders, but relieved them from answering numerous others.

Seek Coordination with Army

Lieut. Col. James D. Hall of the Eighth Service Command has been appointed a member of the Dallas Fire Prevention Council, to coordinate the work of the council and the fire marshal with the army forces. The military police have placed "out of bounds" certain night clubs outside the city limits of Dallas because of fire hazards and the fire marshal and city building inspector of Dallas have filed complaints against 12 night spots for "obstructing exits."

Broader Cover in Miss. Form

The new Mississippi dwelling and household furniture form provides that 5 percent of the dwelling insurance, not exceeding \$1,000, applies to out buildings. In the old form 2 percent not exceeding \$100, so applied. In the old form, the furniture insurance did not apply off the premises. In the new form 10 percent, but not exceeding

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The Providence Washington and Anchor organizations are alert to the agent's wartime duties. We realize that war has caused personnel problems and business interruptions that make his task more difficult. Our duty then is greater than ever—to assist whenever necessary . . . to bend our every activity to the role insurance must play during these critical times. We urge agents to enlist our complete facilities and valuable experience to help solve problems for America's greater protection on the home front.



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\$1,000, applies while temporarily removed to any other location in the United States, Canada, or Newfoundland.

Irwin & Co. Low Bidders

NEW ORLEANS—Leon Irwin & Co. were low bidders for \$268,000 fire insurance on yard 1 of the New Orleans Sewerage & Water Board. They quoted a rate of .189 for 1 year and .377 for three years.

Montgomery Renamed in Houston

Roy D. Montgomery was reelected president of the Insurance Exchange of Houston at its annual meeting. Gus H. Comiskey was elected vice-president, while George W. Dorrance, treasurer, and John W. Daniel, executive secretary, were reelected. New members of the

executive committee are Aubrey Calvin, Hollis F. Danvers and Ben H. Moore.

Fifty-eight agents out of the normal membership of 150 agency firms have joined the armed forces.

Heard Appointment Confirmed

OKLAHOMA CITY—The Oklahoma senate has approved the governor's appointment of Ralph C. Heard to succeed Norrell Woodard as secretary of the state insurance board. For 12 years Mr. Heard has been connected with public utilities at Ada, Okla. Mr. Woodard will remain in insurance but has not made announcement as to his connection.

W. E. Gideon, in the insurance business in Coleman, Tex., 30 years, has sold his agency to Allen & Allen because of ill health.

the Insurance Women of New Jersey have started the fire and allied line classes, in cooperation with the Essex County Association of Insurance Agents.

Among the lecturers are Lee Taylor, assistant manager Sprinkler Leakage Conference; R. F. Moore, New Jersey state agent of Boston, and J. E. T. McClellan, superintendent of rating and inspection, Schedule Rating Office of New Jersey.

No Decision on N. J. Mid-Year

NEWARK—There has been no decision as yet as to whether the mid-year meeting of the New Jersey Association of Insurance Agents will be held. It is usually held in March.

Camden Banquet Feb. 23

The Camden County (N. J.) Association of Insurance Agents will hold a banquet in Camden Feb. 23 with Dr. John L. Baker of Philadelphia as speaker.

pointed by Governor Saltonstall a member of the Massachusetts racing commission.

Mrs. Cristine B. Nolan, former president of the Insurance Women of New Jersey, has been appointed chairman of the women realtors committee of the New Jersey Association of Real Estate Boards.

Worcester Manufacturers Mutual has voted to transfer its headquarters to Boston, where business offices have been located for some time.

William Viegel, director of the Central City Business Institute of Syracuse, N. Y., will speak at the Syracuse Insurance Women's Association meeting Feb. 15 on "Office Personnel and Management." A lecture course is being planned on accident and health insurance, under leadership of G. G. Seiter, assistant manager of the accident and health department of Travelers, Syracuse.

Stock Participating Bill in Missouri

JEFFERSON CITY, MO.—Considerable interest is shown in a Missouri house bill which permits Missouri stock companies to distribute earned surplus profits to policyholders of the same class, thus permitting the issuance of participating policies.

EASTERN STATES ACTIVITIES

Complete Plans for Fete of Pa. Commissioner

John M. Thomas, president of National Union Fire will be toastmaster at the testimonial banquet Feb. 15 in honor of Gregg L. Neel, Pennsylvania's new insurance commissioner, at Pittsburgh. H. W. Schmidt of the H. W. Schmidt & Co. agency, president of the Insurance Club of Pittsburgh, is in general charge of the affair.



H. W. Schmidt

This will be the new commissioner's first official appearance. Guests will include members of the Pennsylvania senate and house insurance committees and chairmen of other legislative committees concerned with insurance matters. There will be a reception after the banquet. Jay N. Jamison, executive vice-president of Reliance Life, is chairman of the reception committee.

Commissioner Neel will be the guest of Philadelphia insurance men and organizations at a cocktail party and dinner there Feb. 18.

Agents Can Grant Employees Power of Attorney in Me.

Commissioner Perkins of Maine has issued a ruling permitting an agent to grant power of attorney to employees. This is the first time this has been allowed in the state, and enables agents, many of whom are spending much of their time on various war activities to lessen the detail work in their agencies.

Agents granting power of attorney

must describe themselves exactly as the license issued by the department reads, and a form is provided for the purpose which must be filled out in quadruplicate. The agent representing several companies must execute a separate agreement for each. The power of attorney permits countersignature of fidelity and surety bonds but not execution of such bonds.

Pa. Insurance Committees

Insurance men on the senate insurance committee in Pennsylvania are: G. N. Wade, chairman, Camp Hill; M. Harvey Taylor, Harrisburg; Montgomery F. Crowe, Stroudsburg; Jacob W. Carr, Butler; John J. Haluska, Patton.

On the house committee are: G. Edgar Kline, chairman, Pottsville; Kenneth H. Wagner, vice-chairman, Stoyestown; Harold E. Flack, Dallas; Alvin H. Hocke, York; Albert B. McClester, Butler; H. David Sarge, Lebanon; Frank J. Tiemann, Philadelphia; Ray E. Taydor, Harrisburg; William M. Hunter, Chester; John G. Dillor, Philadelphia; Robert K. Hamilton, Ambridge.

Conflict Over W. Va. Proposal

The Insurance Agents of West Virginia are much interested in having an agents qualification law passed at the current session of the legislature. Several meetings were held with company representatives on the subject but it is understood that a conflict between agents and companies has developed. The agents association of Morgantown of which O. D. Fear is president had a meeting on the subject last week, the agents in that city being considerably wrought up because of the opposition of the companies to the proposal.

N. J. Study Fire and Allied Lines

NEWARK—Having completed the inland marine course of the N. A. I. A.,

NEWS BRIEFS

Bayard Tuckerman, senior member of the firm of O'Brien, Russell & Co. of Boston, and a noted horseman, who recently returned from service with the ambulance corps in Africa, has been ap-

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R. L. Thiele, Ass't Mgr.
P. A. Pederson, Chief Inspector

QUEEN CITY FIRE INSURANCE COMPANY
SIOUX FALLS D. P. LEMEN, President SOUTH DAKOTA
1905 Thirty-eight years of service 1943

CANADIAN

Data on War Damage

TORONTO—According to figures furnished by Canadian Finance Minister Ilsley, Canadians purchased war risk insurance in excess of \$1,780,000,000 up to Dec. 31. This does not include insurance of grain or Dominion government property. Distribution among the provinces shows that 29 percent is in British Columbia, 27 percent in Quebec and 25 percent in Ontario. Nova Scotia has 8 percent and the other provinces less than 4 percent.

New Wawanesa Mutual Setup

A. T. Hawley of Winnipeg has been elected president of Wawanesa Mutual, succeeding the late Robert Wallace. J. G. Fraser of Wawanesa, a director for some years, was elected first vice-president; E. C. Drury, Barrie, Ont., second vice-president and Dr. C. M. Vanstone managing director.

Mr. Hawley has been general solicitor since 1922 and a director since 1932. He was elected first vice-president in 1938.

Auto Rate Cut in B. C.

To bring it in line with rate reductions announced recently by the Canadian Underwriters Association in Ontario and Quebec, the British Columbia Underwriters Association has announced a reduction in automobile insurance rates, applying to public liability, property damage and collision.

Belleville, Ont., Agents Elect

J. E. Marsh has been elected president of the Belleville (Ont.) Fire & Casualty Insurance Agents Association. W. L. McDougall, who has been president three years, becomes vice-president and C. W. Burr is secretary-treasurer.

British Aviation in Canada

British Aviation of London has opened a branch office in Montreal. For the duration it is planned to develop a nucleus organization "capable of dealing with post-war aviation insurance problems."

Kitchener-Waterloo Election

The Kitchener-Waterloo (Ont.) Fire & Casualty Insurance Agents Association has elected Charles W. Tweed of Waterloo president. Vice-president is Keith Staebler and secretary Samuel Oliver.

Beveridge Is N. B. President

C. K. Beveridge, manager of the Provincial Insurance Agency, has been elected president of the New Brunswick Board. F. C. Mortimer is its vice-president.

E. D. Gooderham President

TORONTO—At the annual meeting of the Dominion of Canada General, E. D. Gooderham was elected president. The late president, George H. Gooderham, died recently.

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MOTOR

Good Recoveries in New Orleans

All but 39 of 1,239 automobiles stolen in New Orleans in 1942 were recovered, according to a report by the New Orleans Theft Bureau.

Schrekter Insurance Manager

D. J. Schrekter has been appointed insurance and claims manager of Associated Transport, Inc., an organization which is the result of the merger of seven motor transportation companies, including Consolidated Motor Lines, of which Mr. Schrekter was insurance and claims manager for nine years. Mr. Schrekter specialized in the underwriting of automobile fleet insurance for National Fire and later handled automobile fleet claims for Fidelity & Casualty for eight years in Connecticut and western Massachusetts.

Report on Western States

The Illinois department has released its examination of the Western States Mutual Automobile of Freeport, Ill., as of June 30, 1942. It showed assets \$264,751, surplus \$79,797. The report says the company has experienced favorable underwriting results, the losses are promptly and equitably discharged. L. A. Trunck, secretary-treasurer, is the main factor in the active management.

British Rates Reduced

Some time ago the British tariff offices put into effect a reduction of 20 percent in premium rates for private automobiles. The Accident Offices Association now announces that on Jan. 1, the same concessions were made to owners of specified motorcycles insured for social, domestic or pleasure purposes.

Reaction Given on
Beveridge Report

(CONTINUED FROM PAGE 19)

the standardization of unemployment and sickness benefits in particular may find many supporters. The controversial issue is the administration of the unified services and especially the proposal to dispense with the services of the Approved Societies in favor of state security offices. It is absurd to suggest, according to the "Review," that the Approved Societies cannot fairly administer national health insurance owing to the profit motive, while the trade unions can.

Sir William contends that the British public has accepted the principle of pooling of risks in compulsory insurance. However, according to the "Review," unless there is a rating of risks there is no proper insurance and the Beveridge

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scheme insofar as unemployment is concerned, is no insurance scheme at all but simply an assignment of part of income tax for the payment of unemployment benefits. The fact that the assignment is collected as a contribution separate from the income tax does not change its character.

Trend of Insurance Thought

The "Review" states that modern insurance thought is trending in the direction of the underlying idea of social responsibility towards the less fortunate members of the community. For instance, insurance recognizes that there should be a minimum rate of premium on all branches beneath which no one should be able to buy his insurance protection no matter how good a risk he or his property may represent. Insurance could help in its rating policy to spread a better understanding of the part individual and communal effort plays in the reduction of insurance risks. The assured should be given full credit, through appropriate discounts, for any improvement in risk effected through his own efforts but he should not be allowed to score an unfair advantage just because society improved his risk for him.

Sir William, according to the "Review," has not been able to substantiate any vital criticism against the workmen's compensation system. He merely wants,

for the sake of unification to replace a good system by what he thinks is a better system. He concentrates on total disability and passes lightly over the difficulties in adjusting compensation for partial disability. He also passes lightly over the many complicated problems relating to common law claims and as long as these problems are not solved there will still be need for insurance against employers liability and insurance may very well take the position that workmen's compensation goes naturally with employers liability and should be administered by the same interests, i. e., by insurers. The same applies to accidents at home which, from an insurance standpoint, as far as third party liability is concerned, would come under a modern comprehensive householder's policy protecting the householder against loss of property and liability for negligence.

Interests of Community

The interests of the community would be best served if accident insurance were left to private initiative in order that, subject to a minimum rate, a reduction in accident frequency might in time be obtained through rating risks on merit.

The Industrial Life Offices statement criticizes the plan for administration of the unified social insurance scheme as being unworkable, extravagant and unwieldy. Political bias is alleged in the

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FIELD CORRESPONDENT

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proposal to abolish the Approved Societies while allowing the trade unions to continue to administer national health insurance.

The Industrial Life Offices endorse instead the recommendations of the National Conference of Industrial Approved Societies including the suggestion that there should be no additional cash benefits, that dental and ophthalmic treatment should be statutory benefits and that medical benefits should be extended to dependents of all insured persons and should include specialist services. They also propose that half the surplus should be pooled among all Approved Societies.

Funeral Grant Redundant

The memorandum states that the working classes under the industrial policies enjoy benefits almost as attractive as those enjoyed by ordinary policyholders. The funeral grant in the Beveridge report is considered redundant and no justification is found for asking Parliament to agree to a liability of £150,000,000, which is the capitalized value of the deficit arising from the fact that the scheme takes in everyone between the ages of 16 and 60, although only the 16-year olds will be paying their full contributions. The failure of the postoffice insurance scheme that was instituted in 1864 and abandoned in 1928 is held as evidence that industrial life insurance without solicitation is not a practical proposition. The offices deny there is undue pressure for new business and insist that every effort is being made to reduce lapsing. They point out that Prudential for the past 35 years as a result of good administration and sound investment policy has allotted to policyholders £59,439,550. The offices regard as inequitable the proposal to take over the industrial insurance business which would render it impossible for those companies to carry on their ordinary business and their general business also. The Beveridge report offers no solution of the question of compensation to stockholders and of the terms to industrial policyholders, nor does the government actuary hold out hopes of any saving in administrative costs for some time. The memorandum contends that the objects aimed at could be achieved within the present framework and that this would have the merit of being in harmony with British character, which has always preferred elasticity and freedom to rigidity and state control.

Draft Status Stirs Some Uneasiness

(CONTINUED FROM PAGE 3)

would be perfectly willing to promise reemployment, knowing that whatever the personnel situation might be it would be desirable to make room for such a man.

On the other hand executives fear to adopt a general policy of agreeing to reemploy any person that leaves to take a war industry job. Some believe that Congress may pass a measure making it compulsory for an employer to employ men who leave for war industries, just like draftees.

One possibility that is causing many life insurance general agents to concen-

Fire Mutual Companies' 1942 Figures

	Adm. Assets	Unearned Prems.	Net Surplus	Net Prems.	Net Losses Paid
Berkshire Mutual Fire, Mass.	1,292,262	836,338	350,394	834,282	290,090
Farmers Mutual Hall, Ia.	1,848,576	272,872	1,369,326	1,751,321	999,176
Farmers Mutual Reins.	2,662,371	812,758	1,207,579	917,703	384,261
Grangers Mutual Fire, Md.	347,895	98,867	235,089	146,255	39,261
Illinois Mutual Fire	169,838	95,020	70,248	79,931	32,130
Iowa Mutual Tornado	2,657,037	701,936	1,909,623	748,271	302,556
LeMars Mutual, Ia.	303,901	76,792	186,055	181,761	87,991
Lititz Mutual, Pa.	1,045,983	305,394	704,114	468,516	111,574
Lowell Mutual Fire	322,021	199,371	107,112	172,981	75,327
Merchants & Business Men's, Pa.	2,562,645	420,191	2,092,035	523,128	120,932
Merchants' & Manufacturers', O.	440,011	199,495	203,647	212,404	118,639
Michigan Millers Mutual	4,909,560	2,217,354	2,061,309	3,005,241	1,072,824
Millers Mutual Fire, Pa.	2,140,360	537,893	1,299,680	717,762	208,782
Millers Mutual Fire, Tex.	2,500,569	981,799	1,304,289	1,213,523	420,501
National Mutual, O.	500,827	217,046	231,902	236,916	92,120
Pawtucket Mutual Fire	2,565,015	1,340,175	1,044,528	1,193,144	385,200
Penn Mutual Fire	1,280,049	375,763	879,966	384,695	78,536
Quincy Mutual Fire	4,064,149	1,578,404	2,343,108	1,367,705	392,012
Salem Mutual Fire	201,178	101,758	92,715	99,587	18,672
Security Mutual Fire, Minn.	184,231	51,681	117,688	100,990	40,559
Texas National Mutual	376,107	66,383	290,321	30,791	19,951

trate on recruiting new agents just now is that virtually all hiring may be canalized through the U. S. Employment Service.

Tells How to Avoid Unfair Rulings

(CONTINUED FROM PAGE 21)

sisting of personal accident insurance on certain key men with an agreement that the individuals would endorse over to the corporation any benefit check and would continue to receive their full salaries from the corporation, is a deductible business expense of the corporation. Mr. Peterson said that the

premiums could not be deducted by the corporation because the latter is indirectly the beneficiary. However, any benefit payments received by the corporation are not subject to income tax.

At another point Mr. Peterson expressed the belief that it doesn't pay to try to devise a smart scheme to do indirectly what can't be done directly.

Pellitier, Pendleton in Boston

At the last meeting of the Boston Accident & Health Association, C. E. Pellitier, special agent of the F.B.I., spoke on its work, telling of the operation of the fingerprint department and investigations of sabotage.

Ralph Pendleton, assistant general manager of the Massachusetts Safety Council, spoke on safety at home and

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at work. He introduced an interesting "true or false" quiz.

The association went on record against house bill 303, which proposes that no accident and health policy which has been in force three years or more can be cancelled by the company except with the consent of the insurance commissioner after both sides have been presented, his decision to be final.

L. H. Esterbrooks has resigned as manager at Elmira, N. Y., of the Fire Companies Adjustment Bureau. He is now operating as an independent adjuster with headquarters in Elmira.



Completing our first year at war America takes stock of its position, sets its sails, grinds its teeth and is off like a thunderbird on the journey to Victory. No good American doubts the ultimate outcome for the nation; we are now confronted, however, with the gravity of our task, with the need to do the job well and do it quickly. The better we do it the longer will the peace last. The quicker we do it the less will be the price we pay in life, suffering and pain.

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